

AD-A046 886

AIR FORCE INST OF TECH WRIGHT-PATTERSON AFB OHIO  
BLUE COLLAR THEFT IN BUSINESS AND INDUSTRY.(U)  
MAY 77 D H MORGENSTERN  
AFIT-CI-77-98

F/G 5/11

UNCLASSIFIED

NL

1 of 2  
ADA046886



AD A 0 46886

BLUE COLLAR THEFT IN BUSINESS AND INDUSTRY

DAVID HERMAN MORGENSTERN  
B.S., Illinois State University, Normal, 1965

THESIS

Submitted in partial satisfaction of  
the requirements for the degree of

MASTER OF ARTS

in

CRIMINAL JUSTICE

at

CALIFORNIA STATE UNIVERSITY, SACRAMENTO

APPROVED:

Bruce Prescott Parker, Chairman

James M. Poland, Second Reader

Date: 5-19-77

DISTRIBUTION STATEMENT A

Approved for public release;  
Distribution Unlimited

DDC  
RECEIVED  
NOV 28 1977  
B

AD No.

DDC FILE COPY



UNCLASSIFIED

SECURITY CLASSIFICATION OF THIS PAGE (When Data Entered)

REPORT DOCUMENTATION PAGE		READ INSTRUCTIONS BEFORE COMPLETING FORM
1. REPORT NUMBER CI-77-98	2. GOVT ACCESSION NO.	3. REPORTING CATALOG NUMBER <i>Master's</i>
4. TITLE (and Subtitle) Blue Collar Theft in Business and Industry	5. TYPE OF REPORT & PERIOD COVERED Thesis	
6. PERFORMING ORG. REPORT NUMBER		
7. AUTHOR(s) Captain David H. Morgenstern	8. CONTRACT OR GRANT NUMBER(s)	
9. PERFORMING ORGANIZATION NAME AND ADDRESS AFIT Student at California State University, Sacramento CA	10. PROGRAM ELEMENT, PROJECT, TASK AREA & WORK UNIT NUMBERS	
11. CONTROLLING OFFICE NAME AND ADDRESS AFIT/CI WPAFB OH 45433	12. REPORT DATE May 1977	13. NUMBER OF PAGES 115 Pages
14. MONITORING AGENCY NAME & ADDRESS (if different from Controlling Office) <i>12 119p.</i>	15. SECURITY CLASS. (of this report) Unclassified	
15a. DECLASSIFICATION/DOWNGRADING SCHEDULE		
16. DISTRIBUTION STATEMENT (of this Report) Approved for Public Release; Distribution Unlimited		
17. DISTRIBUTION STATEMENT (of the abstract entered in Block 20, if different from Report)		
18. SUPPLEMENTARY NOTES <i>J. F. Guess</i> JERRAL F. GUESS, Captain, USAF Director of Information, AFIT APPROVED FOR PUBLIC RELEASE AFR 190-17.		
19. KEY WORDS (Continue on reverse side if necessary and identify by block number)		
20. ABSTRACT (Continue on reverse side if necessary and identify by block number)		


DD FORM 1 JAN 73 1473

EDITION OF 1 NOV 65 IS OBSOLETE

UNCLASSIFIED

SECURITY CLASSIFICATION OF THIS PAGE (When Data Entered)

*012 200*

ACCESSION for	
NTIS	Large Section <input checked="" type="checkbox"/>
DDC	Small Section <input type="checkbox"/>
UNANNOUNCED	<input type="checkbox"/>
JUSTIFICATION	
BY	
DISTRIBUTION/AVAILABILITY CODES	
Dist.	Avail. and/or SPECIAL
	

## TABLE OF CONTENTS

### Chapter

I. BLUE COLLAR THEFT IN BUSINESS AND INDUSTRY -	
AN INTRODUCTION . . . . .	1
Statement of the Problem . . . . .	1
Significance of the Thesis . . . . .	2
Goals of the Thesis . . . . .	2
Definitions and Theoretical Distinctions . . . . .	3
Plan of the Thesis . . . . .	12
II. SUMMARY OF RELATED LITERATURE . . . . .	13
Impact of Employee Theft on Business and Industry . . . . .	13
Management Procedures and Internal Controls	
for Reducing Pilfering . . . . .	21
Previous Studies Regarding Stealing . . . . .	40
Offender Characteristics, Attitudes, and Concepts . . . . .	45
III. EVALUATION OF THE RESEARCH AND GENERAL PROPOSITIONS . . . . .	67
Evaluation of the Research . . . . .	67
General Propositions Derived from the Related Literature . . . . .	68
IV. RECOMMENDATIONS FOR FUTURE RESEARCH . . . . .	73
Previous Attempts . . . . .	73
Recommended Research Methods and Procedures	
Preliminary to the Research . . . . .	76
Recommended Methods and Procedures to be Used	
During the Data Collection Phase . . . . .	81

Chapter

Recommended Methods and Procedures

During the Analytic Phase . . . . . 82

V. CONCLUSIONS . . . . . 86

. . . . .  
APPENDIX A . . . . . 91

APPENDIX B . . . . . 97

APPENDIX C . . . . . 103

BIBLIOGRAPHY . . . . . 105



## CHAPTER I

### BLUE COLLAR THEFT IN BUSINESS AND INDUSTRY -

#### AN INTRODUCTION

##### Statement of the Problem

The past several years have seen a dramatic change of societal control in maintaining order and preserving peace in our communities and in our nation. Likewise, the problems of maintaining security in private business and industry, which directly provide for and promote the health, safety, economic stability, and defense of our American society have been acute.

The problems of disorder and social disintegration have become those of business and industry. Internal theft and pilferage have likewise grown in alarming proportions. Never before have the problems of general society impinged more directly upon business and industry than at the present. The need for providing protection for property and interests have never been more in demand.

The problem of internal theft by employees, or pilfering (these terms will be used synonymously) is not only pressing and immediate, but staggering in its scope and importance. It is impossible to obtain a truly accurate picture of its magnitude because a majority of thefts by employees are either not detected, or, if detected, not reported to law enforcement authorities or documented on any records. Further, management appears to be willing to ignore this controversial situation



in order to maintain a favorable company image.

### Significance of this Thesis

This thesis is of practical significance to those who are interested in the prevention and control of employee theft for it provides valuable information relative to the impact of employee theft, management procedures and internal controls, and offender characteristics, attitudes and percepts. This thesis is also of practical significance because it provides the reader with an opportunity to question a number of stereotyped, popularized and often contradictory notions relative to the employee pilferers and their activities.

This thesis is of theoretical significance in that it provides detailed information regarding the relatively unexplored area of blue collar theft. Also, it provides not only a summary of selected aspects of the current sociological theories of deviant behavior, but also a summary of many variables considered relevant in norm violation. This thesis is of further significance in that it provides a synthesis of information leading to an insight into the manner in which normative behavior may be affected by social and cultural factors as specified in previous research.

Finally, this thesis is of significance as it offers a research approach which will enable a researcher to test the general propositions which were derived from a comprehensive review of the current literature regarding blue collar theft.

### Goals of the Thesis

Part of this thesis is a summary of literature regarding the current body of knowledge on the narrowly defined topic of pilfering

by employees from their place of employment (blue collar theft). The review of literature is aimed at several purposes. The first is to provide detailed information regarding the impact of employee theft, management procedures and internal controls for reducing pilfering, previous studies regarding stealing, and offender characteristics, attitudes and percepts. Second, the reported information and data are evaluated. Third, several general principles or propositions are formulated as a result of previous research regarding the frequencies and/or patterns of thefts by employees, including their attitudes and those of the general public. Finally, a specific research methodology is suggested as the means of testing the general principles or propositions as they apply to blue collar employees.

#### Definitions and Theoretical Distinctions

##### White Collar Crime

Edwin Sutherland's major contribution to criminology, in addition to his theory of differential association, is his development of the concept of white collar crime. This term was coined by Sutherland in his presidential address to the American Sociology Society in 1939. Actually, this concept was first suggested in 1907 by E. A. Ross and reaffirmed by Albert Morris who, in a 1935 textbook, referred to "criminals of the upperworld."<sup>1</sup>

According to Sutherland, "white collar crime may be defined as a crime committed by persons of respectability and high social status

---

<sup>1</sup>Sue T. Reid, Crime and Criminology (Hinsdale, Il.: The Dryden Press, 1976), p. 217.

in the course of their occupations."<sup>2</sup> In his definition, "white collar" is used to refer mainly to business managers and executives; the respectable, well-to-do persons in the upper socio-economic class. Sutherland states that white collar crime is not associated with poverty or with social and personal ailments concerned with poverty.

After presenting the statistical record of seventy corporations and the prevalence of white collar crime, Sutherland offered an explanation of the phenomenon in terms of his theory of differential association. He believed that white collar crime originates much in the same way as other criminal behavior, namely by the process of "differential association."<sup>3</sup> Sutherland defined differential association as criminal behavior which is learned in association with those who define such behavior favorably and in isolation from those who define it unfavorably. He admitted that his hypothesis is certainly not a complete or universal explanation of white collar crime or of other crime; however, he believed that it perhaps fits the data of both types of crimes better than any other general hypothesis.

Sutherland's definition of differential association covers the following nine points: "(1) criminal behavior is learned rather than inherited; (2) criminal behavior is learned in interaction with other individuals through the process of communication which includes words and gestures as methods of communicating; (3) the principal part of learning criminal behavior takes place within intimate personal groups, and that impersonal communications media such as movies, radio, and newspapers play a relatively unimportant role in the creation of criminal

---

<sup>2</sup>Edwin H. Sutherland, White Collar Crime (New York: Holt, Rinehart, and Winston, Inc., 1949), pp. 9-10.

<sup>3</sup>*Ibid.*, p. 234.



behavior; (4) when criminal behavior is learned, the learning process includes techniques and specific motivation, rationalization, and attitudes; (5) the specific direction of motivation is learned from the groups' definitions of laws which may be favorable or unfavorable; (6) an individual becomes an offender because an excess of these definitions are more favorable to violation of the law over definitions unfavorable to violation of the law; (7) differential associations may vary in their frequency, priority, duration, and intensity; (8) the process of learning criminal behavior from associations with criminal and anti-criminal patterns involves all of the mechanisms that are involved with any other learning; (9) even though criminal behavior is an expression of general needs and values, it cannot be explained by those needs and values because noncriminal behavior is an expression of the same needs and values."<sup>4</sup>

Sutherland's theory of differential association has been criticized by many sociologists and criminologists. According to Walter C. Reckless, the trouble with Sutherland's thinking is that he needed to have a theory that could account for all kinds of criminal behavior. White collar crime, according to Reckless, does not necessitate the formulation of a theory of crime which can account for all kinds of crime; and that it is much more realistic to study the specific qualities of special orders of criminal behavior without "universalizing."<sup>5</sup>

Edwin M. Schur states that theories and definitions which are

---

<sup>4</sup>Edwin H. Sutherland, On Analyzing Crime (Chicago, Il.: University of Chicago Press, 1973), pp. 8-10.

<sup>5</sup>Walter C. Reckless, The Crime Problem (New York: Appleton-Centry-Crofts, 1961), pp. 227-228.



favorable and unfavorable to crime are "elusive qualities" that are extremely hard to measure.<sup>6</sup> Further, he believed that Sutherland demonstrated to most criminologists that a general theory of crime must take into account the basic learning process, since crime is learned in much the same way as other types of behavior.

In grouping white collar offenses and related types of crime under the category of "nonprofessional fraud," Schur sought to focus on a key element that permeates this area of law violation; breach of trust.<sup>7</sup> According to him, the fraud involved of "putting something over" on one's employer is nonprofessional because it is not the violator's major means of earning a living. Instead, the employee is rather a respectable citizen going about his everyday business, at some point in the course of which he resorts to one or another variety of fraudulent behavior.

The concept of white collar crime has come to cover a vast array of illegal and illicit enterprises, by both individuals and corporate bodies. White collar crime takes innumerable forms; and one of the major shortcomings of work in this area has been a failure to delineate clearly homogeneous types of offenses.<sup>8</sup>

Herbert Edelhertz, former Chief of the Fraud Section of the Criminal Division of the United States Department of Justice, improved upon Sutherland's definition of white collar crime. He defined it as

---

<sup>6</sup>Edwin M. Schur, Our Criminal Society (New Jersey: Prentice-Hall, 1969), pp. 101-102.

<sup>7</sup>*Ibid.*, p. 163.

<sup>8</sup>Herbert Bloch and Gilbert Geis, Man, Crime, and Society (New York: Random House, 1962), pp. 379-385.

"an illegal act or series of illegal acts committed by nonphysical means and by concealment or guile, to obtain money or property, to avoid the payment or loss of money or property, or to obtain business or personal advantage."<sup>9</sup> The only problem with Edelhertz' definition is his use of the term "nonphysical." One may find it extremely difficult to commit an illegal act without the use of physical or bodily means. The term "nonviolent" appears to be more suited to Edelhertz' definition, as white collar crime is a nonviolent criminal act.

Edelhertz explains that white collar crime is "democratic" in that it can be committed by a "bank teller, a high government official, or the head of a poverty program." He further explains that the character of white collar crime must be found in its *modi operandi* and its objectives rather than in the nature of its offenders. He believes that it is more important in our definitions of crime that we concentrate on the nature of the crime rather than the personal characteristics or status of the criminal.<sup>10</sup> Edelhertz sets forth the following common elements which may be basic to all white collar crimes: "(1) intent to commit a wrongful act inconsistent with law or public policy; (2) disguise of purpose or intent; (3) reliance by the perpetrator on ignorance or carelessness of the victim; (4) acquiescence by the victim to what he believes to be the true nature and content of the transaction; (5) concealment of the crime."<sup>11</sup>

---

<sup>9</sup>Herbert Edelhertz, The Nature, Impact and Prosecution of White Collar Crime (Washington, D.C.: U.S. Government Printing Office, May 1970), p. 3.

<sup>10</sup>*Ibid.*, p. 4.

<sup>11</sup>*Ibid.*, pp. 12-18.

Besides improving on the definition of white collar crime, Edelhertz classifies white collar crimes into the following four categories: (1) crimes by persons operating on an individual basis, for personal gain in a nonbusiness context ("personal crimes") such as income tax violations, credit with no intent to pay, etc.; (2) crimes in the course of an occupation, in violation of duty, loyalty and fidelity to employer or client ("abuses of trust") such as employee theft, computer fraud, etc.; (3) crimes incidental to business operations ("business crimes") such as tax violations, fraud, etc.; (4) crime as a business ("con games") such as land fraud, stock fraud, etc.<sup>12</sup> Of these four classifications, the one that is most relevant to this thesis is the one regarding abuses of trust. However, abuses of trust, as defined by Edelhertz, applies to both white and blue collar employees.

#### Economic and Occupational Crime

It has been argued that terms such as "economic crime" or "occupational crime" are more descriptive of the subject matter now embraced by the term "white collar crime." However, Gilbert Geis groups these three criminal acts under the latter term. Geis defines the concept of white collar crime (to include "economic and occupational crime") by separating them by offender commission; ie. (1) by individuals as individuals; (2) by employees against a business; (3) by policy-making officials for a business.<sup>13</sup>

Other advocates who support this concept include Peter Finn and Alan R. Hoffman. They believe that the term "white collar crime" is a

---

<sup>12</sup>Ibid., pp. 19-20.

<sup>13</sup>Gilbert Geiss, White-Collar Criminal (New York: Atherton Press, 1968), pp. xi-16.



misleading and limited label for fraudulent economic activity since it implies that only the wealthy or those employed at the executive level perpetuate economic frauds. They believe that white collar criminals may be salespersons, business employees, or private citizens, as well as high-salaried professionals as defined by Sutherland.<sup>14</sup>

Finn and Hoffman state that economic crime is not related to the social class of the offender, but to the method used to commit the crime. These methods include deception, guile, and trickery for economic gain. They define economic crime as "... an illegal act or series of illegal acts committed by nonphysical means and by concealment or guile, to obtain money or property, or to obtain business or personal advantage" which is practically a quotation of Edelhertz' definition.<sup>15</sup>

Gerald D. Robin states that white collar crime (as defined by Sutherland) and employee theft are, in the broadest sense, nonviolent vocational property offenses. He further suggests that a realistic and efficient conceptualization of white collar crime and employee theft can be formulated as part of the category of "occupational crime." Also, the main congruencies between white collar crime and employee theft are a reflection of the fact that both are occupational violations by "normal" persons and that their basic disparities necessitate recognition of a typology of occupational crime which is viewed as a related but distinct sub-order of occupational deviance. Robin defines occupational crimes to include all violations that occur during the course of occupational activity and are related to employment; and since there are

---

<sup>14</sup>Peter Finn and Alan R. Hoffman, Prosecution of Economic Crime (Washington, D.C.: U. S. Government Printing Office, March 1976), pp. 1-2.

<sup>15</sup>Ibid.



several different orders of behavior with regard to the combination of criminal violation and deviation from occupational norms, the researcher must clarify the order of behavior being investigated.<sup>16</sup>

#### Avocational Crime

Besides defining economic-occupational-white collar crime, Gilbert Geis seeks to properly define "avocational crime." He defines avocational crime as consisting of the following three interlocking conditions: (1) the crime is committed by an individual who does not think of himself as a criminal; (2) the crime is committed by a person whose major source of income involves activities other than crime; (3) the crime is deterrable by the prospect of publicly labeling the offender as a criminal. According to Geis, avocational crime refers primarily to shoplifting and white collar crime.<sup>17</sup>

While Geis' definition of avocational crime concerns itself with the conditions of the crime, Albert Morris seeks to define the "avocational offender." According to Morris, avocational offenders are normally socialized, respectable, and law-abiding individuals whose primary occupations and efforts are legitimate, but who repeatedly commit criminal offenses in the normal course of carrying on their occupations.<sup>18</sup> This definition is not limited to offenders of high social status (as in Sutherland's definition of the white collar criminal)

---

<sup>16</sup>Gerald D. Robin, Employees as Offenders: A Sociological Analysis of Occupational Crime (Ph.D. dissertation, University of Pennsylvania, 1965), pp. 29-30.

<sup>17</sup>Daniel Glaser, Handbook of Criminology (Chicago, Il.: Rand Mc Nally, 1974), p. 273, quoting an essay by Gilbert Geis entitled "Avocational Crime."

<sup>18</sup>Albert Morris, "The Comprehensive Classification of Adult Offenders," The Journal of Criminal Law, Criminology and Police Science 56 (June 1965), pp. 197-202.

because the attributes of white collar crime that constitute its most significant characteristic are shared by offenders who wear blue collars, coveralls, and uniforms. The result of the avocational offender's behavior is violation of trust, a tendency to undermine confidence, and a contribution to harmful social disorganization.<sup>19</sup>

#### Blue Collar Crime and Blue Collar Theft

White collar is a colloquial term which is often used to symbolize the office worker who wears a white shirt to work, while "blue collar" designates the skilled or semi-skilled manual worker.<sup>20</sup>

Donald N. M. Horning defines blue collar crime as the violation of criminal law by industrial workers in the course of their occupational activities. Three distinct conditions must prevail in all blue collar crimes, according to Horning. First, they are illegal acts committed by industrial workers. Second, the illegal acts are committed in the course of the worker's employment. Third, blue collar crimes are illegal acts that violate those laws which regulate occupational activities. Blue collar crime consists of the following acts: the theft of materials, tools or equipment; falsification of records; misuse or misappropriation of company property or facilities; gambling on company property; and other activities which are in violation of the law or company regulations or directives.<sup>21</sup>

---

<sup>19</sup> Ibid.

<sup>20</sup> Ruth S. Cavan, *Criminology*, 3rd ed. (New York: Thomas Y. Crowell Co., 1962), p. 206.

<sup>21</sup> Donald N. M. Horning, Blue Collar Theft: A Study of Pilfering by Industrial Workers (Ph.D. dissertation, Indiana University, 1963), pp. 4-6.

Horning subsequently defines blue collar theft as a small facet of blue collar crime and includes those illegal or unauthorized acts which involve the taking or removal of company, or another's, property from the plant premises by industrial workers. This term makes no distinction whether the theft or misappropriation is major or minor.<sup>22</sup>

For the purpose of this thesis, blue collar theft will refer to those illegal or unauthorized acts which involve the taking or removal of the employer's or another's property from the employer's premises by skilled or semi-skilled workers involved in manual work, which includes office workers, sales personnel, and industrial workers to name a few. This definition excludes personnel in middle or upper management in that they are generally considered white collar workers who are involved in work not essentially manual in nature.

#### Plan of the Thesis

Following this introductory chapter, there is a chapter in which the current related literature is summarized (Chapter II). In the next chapter (Chapter III, Evaluation of the Research and General Propositions), the problems of validity of previous research regarding employee theft and stealing are discussed, and the general research propositions that emerged from the summary of related literature are provided. In the next chapter (Chapter IV, Recommendations for Future Research), the researcher's attempts to conduct a survey regarding blue collar theft are discussed, and the various methods and procedures necessary to conduct further research in this area are recommended. In the final chapter (Chapter V, Conclusions), a discussion on the conclusions that the researcher has drawn regarding the information and data presented in this thesis is provided.

---

<sup>22</sup>*Ibid.*



## CHAPTER II

### SUMMARY OF RELATED LITERATURE

#### Impact of Employee Theft on Business and Industry

The Uniformed Crime Report for 1974 reveals that there were 5,227,700 reported offenses of larceny-theft in America, which is a 21 percent increase from 4,319,100 such crimes in 1973. Such offenses make up 51 percent of the Crime Index total. The average value of property stolen in each larceny in 1974 was \$156, up from \$111 in 1969 and \$74 in 1960. While a portion of the goods stolen was recovered and returned to victims, a relatively low percentage of these were cleared by arrest. In addition, many offenses in this category, particularly where the value of the stolen goods is small, never come to police attention.<sup>1</sup> It should be noted that the Uniformed Crime Reports do not subdivide larceny-theft by "victim" or by type of offender. Thus, the reader is not able to determine what percentage of these reported thefts involve business, industry, and the government; or whether the offender is an employee thief.

The yearly consequences of employee theft reportedly exceeds by several billion dollars, losses sustained throughout the nation by burglary and robbery. For example, a large insurance company recently reported that at least 30 percent of all business failures each year

---

<sup>1</sup>Federal Bureau of Investigation, Crime in the United States - 1974 (Washington, D.C.: U.S. Government Printing Office, 1974), p. 31.



are the result of employee dishonesty.<sup>2</sup> Employee theft, to include embezzlement and other business crimes, appear in relatively small numbers in police statistics, but loom very large in dollar volume.<sup>3</sup>

According to the U.S. Department of Commerce, the theft of business and industry assets by employees has reached epidemic proportions in the past five years. Businessmen in the retailing sector have mistakenly assumed that most retail inventory losses are caused by shoplifters when, actually, employees account for the major portion of retail inventory losses. Employee theft is held responsible for at least 50 percent of the losses in other types of business and industry.

The Bureau of Domestic Commerce estimates that the cost of "ordinary" crimes against business will reach \$23.6 billion for 1975. This figure represents an increase of about 50 percent over the \$15.7 billion cost estimated for 1971. Estimates by type of business are as follows:

ESTIMATED COST OF "ORDINARY" CRIME  
BY SECTOR OF BUSINESS - 1971, 1973, 1974 AND 1975  
(billions of dollars)<sup>5</sup>

Business Sectors	1971	1973	1974	1975
Retailing	\$ 4.8	\$ 5.2	\$ 5.8	\$ 6.5
Manufacturing	1.8	2.6	2.8	3.2
Wholesaling	1.4	1.8	2.1	2.4
Services	2.7	3.2	3.5	4.3
Transportation	<u>1.5</u>	<u>1.7</u>	<u>1.9</u>	<u>2.3</u>
Totals	12.2	14.5	16.1	18.7

<sup>2</sup>Chamber of Commerce of the U.S., White Collar Crime (Washington, D.C.: U.S. Government Printing Office, 1974), p. 4.

<sup>3</sup>President's Commission on Law Enforcement and Administration of Justice, The Challenge of Crime in a Free Society (New York: E. P. Dutton, 1968), p. 127.

<sup>4</sup>U.S. Department of Commerce, The Cost of Crimes Against Business (Washington, D.C.: U. S. Government Printing Office, January 1976), p. v.

<sup>5</sup>*Ibid.*, p. 7.

The cost of crimes against business and industry must either be passed on to the consumers in the form of higher prices, or absorbed as costs by the business or industry, with resultant lower profits. It is estimated that the ratio of losses to total capital expenditures is in excess of 20 percent, or equal to about 15 percent of total corporate profits.<sup>6</sup>

Employees are stealing more from American businessmen than our nation's burglars, pickpockets, shoplifters, robbers, and all other professional criminals combined.<sup>7</sup> A few generations ago, business was concerned with preventing external sources of thefts such as armed robbery or burglary. However, dishonest employees may pilfer four or five times as much as the outside criminal.<sup>8</sup>

Recent estimates of the annual loss to business and industry due to internal theft is over \$6 billion nationwide.<sup>9</sup> Another source estimates that over \$7 billion of the total dollar losses to business (excluding price fixing illegalities and industrial espionage) has to do with blue and white collar embezzlement and pilferage of cash, goods, and services.<sup>10</sup>

The retailing sector of business is hit hardest by the costs of

---

<sup>6</sup> Ibid.

<sup>7</sup> Norman Jaspan and Hillel Black, The Thief in the White Collar (Philadelphia, Pa.: J. D. Lippincott, 1960), p. 11.

<sup>8</sup> Charles F. Hemphill Jr., Security for Business and Industry (Homewood, Il.: Dow Jones-Irwin, 1971), p. 4.

<sup>9</sup> Gion Green and Raymond C. Farber, Introduction to Security (Los Angeles, Ca.: Security World Publishing Co., 1975), p. 79.

<sup>10</sup> Chamber of Commerce, White Collar Crime, p. 5.

ordinary crime. Retail store inventory shortages are mainly caused by employee thefts, paperwork errors, and shoplifting losses. Of the three, employee theft is generally considered by security experts to be the most critical element. It is estimated that employee theft accounts for 60 to 75 percent of retail businesses' inventory shortages. Insurance companies presently estimate that nearly a third of all retail business failures which occur each year are caused by employee theft. Even the smallest employee thefts are costly, as they are paid for out of a businesses' net profits.<sup>11</sup>

The U.S. Department of Commerce estimates that employee theft accounts for approximately 75 to 80 percent of total shortages in retail stores. One retail company reported that dollar losses from employee pilferage was more than seven times as great as shoplifting losses.<sup>12</sup>

Employee theft appears to constitute a tax of one to two percent on the total sales of retail enterprises, and significant amounts in other parts of business and industry. For example; in the grocery trade, the theft estimates for employee and customer theft may almost equal the total amount of net profit. Estimates for these crimes are particularly incomplete, especially for nonretail industries.<sup>13</sup>

The industrial sector of business (consisting of manufacturing and wholesaling) is hit extremely hard by the costs of ordinary crime. However, employee theft is a much larger problem in many industrial

---

<sup>11</sup>Bob Curtis, Security Control: Internal Theft (New York: Chain Store Age Books, 1973), p. 4.

<sup>12</sup>U.S. Department of Commerce, The Cost of Crimes Against Business, pp. 18-19.

<sup>13</sup>President's Commission, The Challenge of Crime in a Free Society, p. 127.



concerns. A recent survey by the National Industrial Conference Board of 473 companies revealed that 20 percent of all companies and nearly 30 percent of those with more than 1,000 employees had a "serious" problem with employee theft of equipment, tools, materials, and other company products. More than half of these companies with a problem of employee theft indicated trouble with both white and blue collar employees.<sup>14</sup>

Inventory shortages in the wholesaling sector of business which were estimated at \$2.4 billion in 1975, are largely the result of employee theft. Employees are responsible for this due to the fact that customers and other outsiders are usually excluded from areas in which merchandise is stored. It is estimated that losses in some wholesale businesses range up to one million dollars a year.<sup>15</sup>

One reason that statistics as to the total annual employee theft losses in this country are incomplete is because the implications of this crime are such as to cause many of its victims to refrain from reporting or publicizing their ill fortune. A review of all available information on the subject indicates convincingly that employee theft is costing American business and industry more than a few billion dollars a year. This is a tremendous tribute to pay to dishonesty and clearly suggests an alarming degree of inefficiency in the average firm's defenses against employee theft.<sup>16</sup>

---

<sup>14</sup>Donald R. Cressey and David A. Ward, Delinquency, Crime, and Social Process (New York: Harper and Row, 1969), p. 51.

<sup>15</sup>U.S. Department of Commerce, The Cost of Crimes against Business, p. 16.

<sup>16</sup>Lester A. Pratt, "Embezzlement Controls," Security World, April 1966, pp. 10-13.

The problem of employee theft and theft control has been ignored by most business and industrial firms, according to B. W. Gocke. This may be due, in part, to a lack of information or ignorance by management as to the scope of the problem or to the general extent of such losses. Certainly, most thefts are not immediately obvious. However, it is usually difficult for plant management to explain the causes for an annual inventory shrinkage of over one half to one percent of gross sales. Probably most businesses do not know the extent of their actual losses from theft, to include the portion related to employee theft.<sup>17</sup>

Reasons for the lack of appropriate employee theft control, or lack of knowledge of theft losses may be accounted for by the following factors: (1) it is usually considered poor public relations for large firms to prosecute employees for petty thefts; (2) accounting methods do not usually pinpoint employee thefts, and consequently, such losses remain undisclosed or are combined with other shrinkages; (3) cost of protection may exceed the value of the goods recovered due to the per person theft rate being small or the individual items stolen being extremely petty; (4) lack of running inventories or spot checks will result in not discovering inventory shortages as they occur (when an annual, or less frequent, inventory is taken, these losses are hidden in a pile of other types of shrinkages which have accumulated); (5) the system for protecting company property may be lax or insufficient to control the existing employee theft problem.<sup>18</sup>

In 1968, Business Management magazine conducted a survey of 132

---

<sup>17</sup>B. W. Gocke, Practical Plant Protection and Policing (Springfield, Ill.: Charles C. Thomas, 1957), p. 18.

<sup>18</sup>Ibid., pp. 18-19.

companies accross the country regarding their concepts of employee dishonesty. Of the 132 companies, an overwhelming majority had less than 1,000 employees. This survey asked several questions about employee dishonesty regarding embezzlement, time card fraud, and petty theft as well as the firm's actions and policies regarding employee dishonesty.<sup>19</sup>

The following pertinent portions of this survey are relative to employee theft: (1) almost 75 percent of the firms think that "some" of their employees engage in petty theft; (2) almost 30 percent of the firms think that dishonest activities have increased in their firm within the last five years, whereas 70 percent think that there was no increase; (3) about 30 percent of the firms replied that their policy concerning employee dishonesty has become stricter in recent years, whereas 70 percent replied that their's had not; (4) only 20 percent of the firms surveyed fire dishonest employees for a first offense, and 54 percent fire dishonest employees for the second offense.<sup>20</sup>

Other data from this survey reveals that apparently most firms are very trusting toward their employees, and that they take quite a relaxed attitude toward petty theft, despite the fact that evidence is mounting that this and more serious kinds of theft are growing very rapidly.<sup>21</sup>

The problem of dishonest employees is costly in more ways than one. The actual loss due to direct employee theft is serious enough,

---

<sup>19</sup>Survey of Corporate Practice, "Are Your Employees more Dishonest than You Think?" Business Management, September 1968, pp. 12-14.

<sup>20</sup>Ibid.

<sup>21</sup>Ibid.



but there are additional costs, some of which are hidden and therefore difficult to measure accurately. First, the loss (due to firing for dishonesty) of trained employees coupled with the cost involved in training replacement employees must be considered. Second, possible contamination of other employees by dishonest employees may lead to new losses. Third, the loss of destroyed or stolen records, as well as inaccurately or illegally altered records may occur which cost time and money to replace or reconstruct. Fourth, unfavorable publicity or damage to the prestige of the business or industry may result in losing good, as well as potential, customers. Fifth, the morale of honest and valued employees may be lowered when suspicion of theft is directed at them, which could possibly lower their job performance.<sup>22</sup>

Internal, or employee, thefts may be reaching a crises stage. Thefts by employees of American companies far exceed the problems of crime in the streets in terms of dollar amounts and the number of people involved. Security expert, Neal Holmes, estimates that employee thefts annually cost business and industry twice as much in cash and merchandise as do all of the nation's bank holdups, burglaries, and car thefts combined. To make matters worse, the employee theft problem is growing.<sup>23</sup>

For example, a New York based retail shopping service with clients across the nation recently compared 1,000 current integrity shopping tests with 1,000 tests made ten years ago. The results from this data revealed that the incidence of cash register thefts by employees

---

<sup>22</sup>Curtis, Security Control: Internal Theft, pp. 4-5.

<sup>23</sup>Ibid., p. 3.

and the amount of money stolen had increased by 86 percent; this is a dramatic increase in only ten years.<sup>24</sup> Of course, one must consider the effects of inflation when discussing relative amounts of money over a period of time.

Employee theft will continue to accelerate in the months and years ahead unless action is taken by business and industry to stem this rising tide of thefts. Many firms have probably lost, and will probably lose, more in money, merchandise and assets to employee theft than they earned in net profits.<sup>25</sup>

#### Management Procedures and Internal Controls for Reducing Pilfering

Employee thefts from business and industry are more deep-seated than most managers wish to believe. One way in which to reduce this situation is to change management's attitude toward protecting business and industry assets. During the early years of economic growth, managers tackled problems whose demands on will and strength equaled or surpassed those faced today. These managers created new businesses, industries, jobs, and markets. But in spite of their achievements, they have not learned how to manage their own firms.<sup>26</sup> Escalating shortages are proof to this fact. Employee thefts, carelessness, and errors are probably siphoning away over 50 percent of business and industry profits.

Managers must learn that the word "manage" means "control;" then they must learn the techniques needed to improve the control of

---

<sup>24</sup>Ibid.

<sup>25</sup>Ibid., p. 4.

<sup>26</sup>Curtis, Security Control: Internal Theft, pp. 5-6.

their firms. There are individual managers and firms that are doing an outstanding job. However, these control-oriented individuals and firms are relatively rare. Management typically has set up procedures that leave serious loopholes which it either fails to recognize, or prefers to ignore.<sup>27</sup> To put it in other words, many firms have control systems that do not control.

Control procedures and systems are often not strictly carried out even though they may be sound and well designed. Management discipline may be lacking in many firms' operating policies. Too much administration and lack of cooperation are but two of the many obstacles put in the way of proper enforcement of control procedures by management.<sup>28</sup> Studies by experts have indicated that employees need the emotional security provided by a discipline environment.

In addition to these weaknesses in the management control concept, there are many instances of poor management judgement. For example, management may make poor decisions that encourage shortages. Other examples would be unrealistic policies and lack of understanding of the entire control program, particularly as it relates to human psychology and motivation.<sup>29</sup> Some managers even subscribe to an attitude of complete defeat with regard to controlling employee theft.

Every firm can do something about employee thefts. What is required is a change in attitude by everyone in management. A firm runs on management skills, motivation, and aspiration; not just growth and sales volume alone. These attributes are dependent upon management's

---

<sup>27</sup>Ibid.

<sup>28</sup>Ibid., p. 6.

<sup>29</sup>Ibid., pp. 6-7.



ability to control its operations. Management must learn how to operate so that it can protect its assets. Management should build a firm in which dishonesty can be prevented; and a firm that assumes the responsibility to protect its employees from undue temptation or opportunity to steal.<sup>30</sup>

The proper climate for employee theft exists when a reasonable person can logically assume that a theft from his/her employer will not be detected; or if detected, will not be able to be attributed to the employee thief. Even if the theft can be traced to the dishonest employee, the chances are great that he/she will usually not be prosecuted or punished with a severity consistent with the value of the items stolen.<sup>31</sup> This means that the climate for employee theft is created each time that management exhibits by its actions or inactions, that it is unwilling to establish and maintain adequate standards or norms of internal control, performance, and adherence to moral principle.

Failures in a physical system of security, in addition to an internal system of security, can cause shortages to occur and shrinkage to increase. Failures in physical security include not securing certain doors and windows, leaving assets unprotected, and lacking a security force to name a few.<sup>32</sup>

The causes of internal theft in the total context of environment, establishment, and maintenance can be observed in the failure of

---

<sup>30</sup>*Ibid.*, pp. 7-8.

<sup>31</sup>Jack H. Kivetz, "Retail Inventory Shortages and Internal Theft," *The CPA Journal* (December 1973), pp. 1107-1109.

<sup>32</sup>Richard S. Post and Arthur A. Kingsbury, *Security Administration: An Introduction* (Springfield, Il.: Charles C. Thomas, 1973), pp. 194-195.

management's lack of insuring that prescribed security methods are followed, coupled with lax or indifferent supervisory practices.<sup>33</sup>

Honest employees will usually not be outraged by efforts of management to prevent employee thievery. Meanwhile, the group of potentially dishonest, or totally dishonest, employees will find it more difficult to steal if they are confronted with an effective system of control and detection.<sup>34</sup>

The following pages will be concerned with several management areas regarding procedures and internal controls for reducing employee theft. These procedures and internal controls include prosecution, hiring, sound leadership methods, performance standards, delegation of responsibility and accountability (to include authority), ethical codes, employee morale, and motivation.

#### Prosecution

The cost of reducing employee theft is very expensive, whether the money is spent to prevent theft or to prosecute the thief. The cost of prosecuting apprehended employee thieves must be considered in any security program. The time of the executives, security officers, and other employee witnesses involved, as well as legal fees, may cost quite a bit more than the value of the stolen property. Therefore, this cost must be measured by management against the deterrent effect of prosecution.<sup>35</sup>

---

<sup>33</sup> Ibid.

<sup>34</sup> U.S. Government Small Business Administration, Crime Against Small Business (Washington, D.C.: U.S. Government Printing Office, April 3, 1969), p. 252.

<sup>35</sup> U.S. Department of Commerce, Crime in Retailing (Washington, D.C.: U.S. Government Printing Office, August 1975), p. 13.

Despite security precautions, employee theft is on the rise. Employees concoct elaborate schemes to steal and, in most cases, get away with it. The ratio of theft incidence to prosecution is lower for employee theft than for any other form of grand larceny.<sup>36</sup> For example, in a study conducted by Gerald D. Robin, he determined that only one out of every five employee thieves was prosecuted.<sup>37</sup> It is believed that current laws provide virtually no deterrent toward business crime; and less than five percent of employee thieves are found guilty, and only about one percent are sentenced to prison.<sup>38</sup>

According to Norman Jaspán, President of a New York based management engineering firm and author of literature regarding employee theft, about 60 percent of the dollar losses sustained by business and industry is attributable to employee theft at the supervisory level.<sup>39</sup> However, less than 2 percent of the persons committed to prisons in a year belong to the upper or upper-middle class.<sup>40</sup> The typical employee thief, regardless of whether the thief is a member of management or a sales clerk, is not a hardened criminal but an average citizen.<sup>41</sup>

Management must warn employees of the risks of dishonesty. Fear of being caught is the greatest single deterrent of employee

---

<sup>36</sup> Lawrence R. Zeitlin, "A Little Larceny Can Do a Lot for Employee Morale," Psychology Today, June 1971, pp. 22, 24, 26, and 64.

<sup>37</sup> Robin, Employees as Offenders, p. 218.

<sup>38</sup> "Employee Theft Rising; But You Can Slow the Tide," Industry Week, December 11, 1972, pp. 28-29.

<sup>39</sup> Ibid.

<sup>40</sup> Geis, White-Collar Criminal, p. 41.

<sup>41</sup> Mark Lipman, "What You Can Do About Employee Theft," Nation's



theft. Many different policies and procedures designed to deter employee theft have been used over the years with varying degrees of success. However, one of the latest and most bizarre tactics is the hiring of an actor who blends in with the workforce, is "caught" stealing, and then is suitably scolded and humiliated in front of his fellow employees before being ceremoniously "fired" or "threatened with prosecution."<sup>42</sup>

Prosecution is expensive and slow, but if employee theft is to be reduced, dishonest employees must be prosecuted to the fullest extent of the law.<sup>43</sup> Management must treat employee theft seriously, and take appropriate punitive or judicial action.<sup>44</sup> This action must be fair and consistent to be effective as a deterrent, as well as communicated to other employees as a warning as to what will happen as a result of their pilfering activities.

It should be noted that a particular warning or threat regarding prosecution involves a mix of factors such as communication, enforcement, type and content of threatened consequences, type of behavior, and social attitudes. This mix will be different for different types of warnings or threats. It is often difficult to know precisely why a policy of warnings or threats regarding prosecution does or does not achieve results. It is also dangerous to generalize from a particular finding (ie., the threat of prosecution will reduce employee theft) to

---

Business, May 1976, pp. 63-65.

<sup>42</sup>"Sheep in Wolves' Clothing," Security World, September 1974, p. 16.

<sup>43</sup>U.S. Department of Commerce, Bureau of Domestic Commerce, Consumer Goods and Services Division, Employee Theft (Washington, D.C.: U.S. Government Printing Office Pamphlet), p. 5; and Curtis, Security Control: Internal Theft, p. 245.

<sup>44</sup>Ronald L. Tatham, "Employee Views on Theft in Retailing," Journal of Retailing (Fall 1974), pp. 49-55.

propositions about the marginal deterrent of this threat.<sup>45</sup> It will probably require a large number of studies of different types of warnings or threats before plausible generalizations regarding marginal deterrence emerge from this research.

### Hiring

One of management's most effective counter measures against employee theft is good hiring controls and procedures. It is obvious that employee theft cannot be entirely eliminated, however, positive steps can be taken to keep it at a minimum.<sup>46</sup> The U.S. Department of Commerce guidelines for management to use when hiring an employee are as follows:

1. Always have the applicant fill out a written application, and interview the applicant using the application as a guide. Gaps in the applicant's employment record should be explained by the applicant. Ask for verification of information such as military discharge documents and school graduation records.
2. Closely scrutinize applicants with criminal convictions. Judgement must be made as to the degree of rehabilitation. Recent U.S. Supreme Court decisions have determined that it is illegal to solicit information about arrest records not leading to convictions. Look particularly for any convictions for crimes against property, such as shoplifting, burglary, and robbery. Evidence is clear that most applicants

---

<sup>45</sup>Franklin E. Zimring, Perspectives on Deterrence, (Washington, D.C.: U.S. Government Printing Office, January 1971), p. 108.

<sup>46</sup>California Department of Justice, On the Alert: How to Protect Your Business and Property (Sacramento, Ca.: Information Pamphlet No. 4), p. 10.

with a court conviction for theft are poor employment risks in a business or industrial environment.

3. When soliciting employment references from the applicant, keep in mind that those contacted will probably give favorable opinions. Ask primary references for secondary references. When contacting secondary references, make it clear that the applicant did not refer to them. Try to contact all of the employers that the applicant has worked for during the past 10 years.

4. In interviewing the applicant, assess his/her maturity and values. Be aware of any indicators such as immature actions or inappropriate attire. Interviewers should be sensitive to giveaway gestures and should try to uncover, with further questions, why a particular topic elicited such a reaction.

5. Obtain a credit bureau report or other checks on the applicant, if available.<sup>47</sup>

Recent legislation and court decisions limit techniques which may be used in making pre-employment checks on prospective employees. For example, the Federal Civil Rights Act of 1964 bans discrimination by race, color, creed, national origin, or sex; the Federal Age Discrimination in Employment Act of 1967 bans discrimination on the basis of age; the Federal Fair Credit Reporting Act regulates methods of obtaining an applicant's credit bureau report. There are innumerable other federal laws, as well as state laws that exist, which regulate inquiries about everything from pregnancy to facial characteristics.

---

<sup>47</sup>U.S. Department of Commerce, Employee Theft, p. 2; and Curtis, Security Control: Internal Theft, pp. 13-28.



It is advisable that management seek legal counsel to find out exactly what their position is with respect to these laws.<sup>48</sup>

Privacy laws deny employers access to criminal background information on potential or hired employees, yet the courts hold employers responsible for their employees' criminal actions while in the conduct of their employment. For example, a U.S. District Court jury in 1974 awarded a rape victim \$33,000, and a Montgomery County Maryland Circuit Court awarded over \$13,000,000 to the husband of a rape-murder victim; crimes committed by previous offenders while on the job. The employers were sued for compensatory and punitive damages on the contention that they were negligent in employing individuals with prior records of serious crimes.<sup>49</sup>

Both of the companies involved were not aware of any previous criminal record on their employee and, had they inquired, they probably could not have legally obtained this information. Federal law prohibits any police agency that receives Law Enforcement Assistance Administration or Revenue Sharing Funds from furnishing information to private citizens or firms about individuals.<sup>50</sup>

Management's understanding of the fundamentals of personnel screening is the first step. Self-discipline is required for a sound approach to personnel selection. Management must force itself to study each applicant they consider hiring, more closely than ever

---

<sup>48</sup>U.S. Department of Commerce, Bureau of Domestic Commerce, Consumer Goods and Services Division, Employee Rights and Privacy (Washington, D.C.: U.S. Government Printing Office Pamphlet), p. 2.

<sup>49</sup>Ernest Harris, "The Struggle Over Employee Backgrounding," Security World, October 1975, p. 34.

<sup>50</sup>Ibid.

before. These fundamentals of personnel screening require some actual practice and experience before management becomes skilled at using them. These fundamentals have been proven to be remarkably effective in many firms, as the personnel decision is one of the ultimate methods of controlling employee thefts.<sup>51</sup>

#### Sound Leadership Methods

Sound leadership methods constitute the most essential conditions for integrity in business or industry.<sup>52</sup> The methods consist of preventive management, training, communicating and controlling. There is a sizable majority of employees that depend upon the caliber of their leadership and are most susceptible to this leadership and methods utilized regarding their integrity and loyalty to their firm.

Preventive management is the term used in describing the solution to employee theft. This means that management must take preventive measures without waiting for symptoms to appear, such as operational irregularities. Preventive management consists of the following methods: (1) do not act impulsively; (2) set fair standards of performance; (3) maintain good communications; (4) know the status of employee morale. The top management people are those who could do the most about ending, or greatly reducing, employee theft. However, management frequently lacks awareness of the seriousness of the problem and also fails to realize that they themselves are the main contributors of their own employees' dishonesty. Management, frequently not aware of what actually takes place right under its nose, serves as a prime

---

<sup>51</sup>Curtis, Security Control: Internal Theft, p. 33.

<sup>52</sup>Chamber of Commerce, White Collar Crime, p. 56.

cause of much employee theft.<sup>53</sup>

Training plays an important role in reducing employee theft. Management, when training new employees, should advise them of the values and the standards which the employee will be expected to uphold. An explanation of all security procedures, stressing their importance, should be conducted. It should be emphasized that any deviations will be thoroughly investigated and prosecuted.<sup>54</sup> Trainees should be informed and reminded of the firm's policy regarding prosecution of employees who are detected engaging in theft, with periodic training sessions stressing the firm's policy. Employees at all levels should be regularly reminded of the firm's philosophy regarding employee theft, to include the executive and supervisory levels. An executive who removes the firm's assets for his own use, regardless of its value, encourages others to do the same.<sup>55</sup>

Besides training for new employees, management must upgrade existing in-service training which is given as refresher classes at regular intervals. It is a rare security program that needs no overhauling to increase its effectiveness in motivating employees, and persuading them of their role in safeguarding defense and company secrets, as well as company property and facilities.<sup>56</sup>

Constant and effective communication by management in defining

---

<sup>53</sup>Jaspan and Black, The Thief in the White Collar, pp. 233-245.

<sup>54</sup>U.S. Department of Commerce, Employee Theft, p. 4; and Curtis, Security Control: Internal Theft, p. 246.

<sup>55</sup>U.S. Department of Commerce, Crime in Retailing, p. 13.

<sup>56</sup>Richard J. Healy, "Putting Security on the Management Team," Security World, July-August 1965, pp. 34-37.



criminal acts is necessary. Employees may not acknowledge theft or guilt unless it is defined so that all understand its meaning.<sup>57</sup>

Effective and ongoing communication and education will make it increasingly difficult for trusted employees to think of themselves as "borrowers" rather than as "thieves" when they steal from their employer.<sup>58</sup>

Management should establish grievance procedures, and give their employees an outlet for disagreement, as well as being receptive to all grievances submitted. Management must insure that employees are aware of the existence of these procedures and that no reprisals will be taken as a result of the grievance.<sup>59</sup>

Management must set up controls and procedures that keep honest employees honest. All employees must be shown the depth of concern for the problem through a program of constant vigilance. The effectiveness of this program depends not only upon what management does, but how management does it.<sup>60</sup>

Strong controls can reveal the fact that employee thefts are occurring and may often lead to identifying the dishonest employee. In addition to protecting the assets of the firm, strong controls are one of the best means for protecting the employees of the firm. If each manager successfully carries out his/her responsibility of effective control, the firm will function properly.<sup>61</sup>

---

<sup>57</sup>Tatham, Journal of Retailing, p. 55.

<sup>58</sup>Donald R. Cressey, "Embezzlement: Robbery by Trust," Security World, May 1965, pp. 16-21.

<sup>59</sup>U.S. Department of Commerce, Employee Theft, p. 4.

<sup>60</sup>Tatham, Journal of Retailing, p. 55.

<sup>61</sup>Curtis, Security Control: Internal Theft, p. 247.

One source states that company tools can be effectively controlled if they are distinctly marked by the use of special stampings or dies. They should be checked out individually to employees in exchange for tool checks or other means of identification. Periodic inventories of all tools and equipment charged out to individual departments or remaining in supply should be accomplished on a regular basis. In addition, frequent checks of employees to determine if they still retain those tools charged out to them, which have not been returned, should be conducted. This would help prevent losses and would more quickly establish a loss, provided one exists.<sup>62</sup>

Another source states that in order to prevent loss of tools from theft, company tools should be lent to employees for home use. Oftentimes employees steal tools because they feel they are entitled to a break in using company owned tools and equipment. Many companies give employees the benefit of using company tools off the premises for personal use. Some even go so far as to remain open after normal work hours for employees who wish to use larger equipment and facilities for personal reasons.<sup>63</sup>

#### Performance Standards

Performance standards set by management should be realistic in both quantity and quality of performance. Poor standards may result in falsifying records which is only a step away from alteration for profit.<sup>64</sup>

---

<sup>62</sup>Gocke, Practical Plant Protection and Policing, pp. 24-26.

<sup>63</sup>Raymond M. Momboisse, Industrial Security for Strikes, Riots and Disasters (Springfield, Il.: Charles C. Thomas, 1968), p. 405.

<sup>64</sup>Chamber of Commerce, White Collar Crime, p. 56.

Management must estimate employee capabilities and set realistic performance goals and standards as unrealistic goals may result in failure, or worse yet, dishonesty. Management should regularly evaluate employee performance, as well as review salaries, wages, and benefits.<sup>65</sup>

Unrealistic company policies and standards can also lead to frustration, which may be the cause of employee theft. For example, one company with a chain of 27 supermarkets instituted a policy stating that any cashier showing a shortage of more than 25 cents in his/her daily receipts would have to repay it out of the next payroll check. In a few months, almost all of the registers balanced daily. Several months after, the improved cash register figures were impressive. However at the end of the year, management was astounded to discover that inventory shortages had doubled. It was discovered that almost every cashier was stealing, and this was ultimately traced to their reaction to the unrealistic company policy.<sup>66</sup>

Reasonable standards and rules should be enforced rigidly as loosely administered standards and rules are more harmful than none at all. The quickest way for management to undermine employee respect is to exhibit softness and permissiveness.<sup>67</sup>

#### Delegation of Responsibility, Accountability and Authority

Delegation of responsibility, accountability and authority is not only good management, but also good crime prevention.<sup>68</sup> Unless

---

<sup>65</sup>"Why Employees Steal," U.S. News and World Report, May 3, 1971, pp. 78-82.

<sup>66</sup>Curtis, Security Control: Internal Theft, pp. 242-243.

<sup>67</sup>Saul D. Astor, Preventing Retail Theft (National Cash Register Pamphlet, A-779-A)

<sup>68</sup>Chamber of Commerce, White Collar Crime, p. 56.



decision-making exists among lower and mid-levels of the firm, there is a tendency for an "its us against them" attitude to develop. Accountability must be delegated as well, as no decision is valid if it is lost in a "buck passing" routine.<sup>69</sup> However, validity of accounting figures is no better than their source; the source being the employees' reliability, accuracy, good judgement, and honesty.<sup>70</sup>

Penalizing employees through too rigid of a policy of accountability may cause a theft reaction. Studies have revealed that even capable and honest employees will make unconscious errors. If management penalizes the employees making honest mistakes, frustration is sure to result which will trigger dishonesty.<sup>71</sup>

Management should set clear lines of authority, responsibility, and accountability. Each employee needs to measure and evaluate his progress in order to improve performance. In order to measure this progress, the employee's duties should be spelled out, preferably in writing. When the employee is confused as to who does what, there is bound to be error, waste, and the kind of indifferent performance that breeds dishonesty.<sup>72</sup>

#### Ethical Codes

Ethical codes established by management are significant as a norm, or standard, of behavior as they may reinforce good intentions and integrity. These codes should be specific and real, and should

---

<sup>69</sup>U.S. Department of Commerce, Employee Theft, p. 5.

<sup>70</sup>Jaspan and Black, The Thief in the White Collar, p. 23.

<sup>71</sup>Curtis, Security Control: Internal Theft, p. 244.

<sup>72</sup>Astor, Preventing Retail Theft.

be enforced equally for every level of employee.<sup>73</sup> Double standards between the working force and management must be eliminated, or employees will steal due to poor supervision and the bad example set by management.<sup>74</sup>

#### Motivation

Motivation, according to M. D. Aitken, is the key to security awareness; and through security awareness, the firm's security-crime prevention program will be effective.<sup>75</sup> Without security awareness, the firm is inviting rampant employee theft and subsequent financial disaster.

A basic understanding of human behavior is essential to the design of any motivational program. Human needs and desires to which specific motivational techniques appeal must be recognized. The proper suggestions, instructions, or commands must be keyed to the needs and desires of the individual. For example:

1. As a human being, the most dedicated employee is more likely to reject rational and logical security motivation, and more likely to accept motivation that appeals to a personal need. The identification of this need will result in success.

2. All humans are basically ego-centered. The best interests of the firm, or the nation, are of vital concern to most employees. However, they may be of secondary importance to the best interests of the individual. By serving these personal interests, a security-crime prevention program will gain the necessary acceptance.

---

<sup>73</sup>Chamber of Commerce, White Collar Crime, p. 56.

<sup>74</sup>"Why Employees Steal," U.S. News and World Report, pp. 78-82.

<sup>75</sup>M. D. Aitken, "Motivation: Key to Security Awareness," Industrial Security, February 1967, pp. 6-8, and 43.

3. Expert presentations, clever posters, and skillfully prepared handouts do not necessarily produce security awareness. Unless the need for action satisfies the ego of the individual, there will usually be no acceptance, retention, or awareness. This media should be oriented primarily towards the needs of the employee, and secondarily towards the requirements of the firm or the government.<sup>76</sup>

Motivation by demand, or command, consists of swift, certain, and uniform disciplinary actions in order to appropriately punish dishonest employees. This sort of motivation is positive, direct, and easily identifiable by the employee. Observance of the law is strongly motivated by the threat of punishment; the fear of getting caught. Security regulations, and punitive action following a violation of these regulations, have the same motivational relationship.<sup>77</sup>

Motivation by persuasion is considerably less positive, less direct, and more subtle than the demand or command approach. A few important persuasion techniques are identified and described as follows:

1. Reorientation - This must take place before the individual is ready to, or able to, accept security requirements. Newly established controls or procedures and changed requirements require reorientation programs.

2. Encouragement and Reward - These two elements are essential to the persuasion of employees. They fulfill one of the strongest human needs; the desire for recognition. Recognition type programs permit the individual to identify with the group, promote team effort,

---

<sup>76</sup>Ibid.

<sup>77</sup>Ibid.



and foster the spirit of competition; all important persuasion factors.

3. Insight - This must be achieved by the individual regarding the motivations of his fellow workers, before a spirit of cooperation is obtained. This achievement helps to reduce the distance between individuals and promotes cooperation.<sup>78</sup>

Management must concentrate on the methods of motivation rather than the content of the security motivation program. Also, management must innovate, seek new techniques, and gain a better insight of individual motivations rather than emphasizing stereotyped warnings, repetitive admonitions, and timeworn procedural details.<sup>79</sup>

#### Employee Morale

A sense of personal value and importance, to include emotional security, are essential human needs. If these needs are not fulfilled in the business and industrial setting, aggression and frustration (the characteristic emotions that trigger theft) will begin to grow. Management will quickly discover that instead of encouraging honesty among its employees, it is provoking dishonesty.<sup>80</sup>

Through effective management measures, such as supervision, motivation, and cooperation, management can establish an atmosphere of high morale that will benefit the firm not only in terms of increased honesty, but in terms of increased productivity as well. Management, in order to accomplish this, must apply the principles of effective employee discipline and impelling leadership.<sup>81</sup>

---

<sup>78</sup>Ibid.

<sup>79</sup>Ibid.

<sup>80</sup>Curtis, Security Control: Internal Theft, p. 323.

<sup>81</sup>Ibid.

As previously stated, aggression and frustration are the characteristic emotions that trigger theft. The aggressive and frustrated employee will often steal when he/she encounters a situation in which the theft is unlikely to be detected. Employee discipline is directly related to this problem in that it reduces employee frustration and helps to establish an environment of control. The tempted employee, in a disciplined work situation, is less apt to take a chance on theft because he/she believes that he/she will probably be caught or the theft quickly detected.<sup>82</sup>

The nature of leadership is a major factor in reducing frustration and increasing morale. Two basic types of leadership are impelling and compelling. Impelling leadership tends to reduce employee dishonesty because it reduces employee frustrations. The impelling manager makes use of forces within the employee himself, whereby the compelling manager relies on authority, power, and rules to direct employee behavior. This approach frequently leads to frustration and reduced morale.<sup>83</sup>

Uncontrolled employee thievery will also adversely affect employee morale and performance. Management must note the direct relationship between employee morale and employee dishonesty. However, recognizing the connection is not enough. Management must do all in its power that it can to dispel employee restlessness and discontent. This means that management should interest itself in the personal lives of its employees and do all that it can to develop high morale, for it

---

<sup>82</sup> Ibid., p. 324.

<sup>83</sup> Ibid., p. 330.

is axiomatic that low morale is the first indication of employee theft.<sup>84</sup>

#### Previous Studies Regarding Stealing

In America, there is a common belief that the general population consists of a large group of law-abiding citizens and a small group of criminals. However, several studies have indicated that most individuals, when they are asked, admit having committed offenses from which they might have been sentenced if they had been apprehended. These studies of "self-reported" crime uniformly show that criminal acts are committed by individuals at all levels of society.<sup>85</sup>

What is known today about offenders is confined almost wholly to those individuals who have been arrested and convicted. From arrest records and other reports, a "portrait" of the offender emerges that progressively highlights the character of his life. However, the offender in prison is likely to be a member of the lowest socio-economic group, poorly educated and probably unemployed, unmarried, reared in a broken home, and has a prior criminal record.<sup>86</sup>

Researchers hit on the idea of asking people, in samples drawn from the population at large, whether they had committed any crimes. Their studies frequently indicated that there was a great deal more actual crime than was officially recorded. The existence of hidden crime was recognized by sociologists as being an important feature of the crime picture.<sup>87</sup>

---

<sup>84</sup>Momboisse, Industrial Security for Strikes, Riots and Disasters, p. 403.

<sup>85</sup>President's Commission, The Challenge of Crime in a Free Society, pp. 147-148.

<sup>86</sup>Ibid.

<sup>87</sup>Schur, Our Criminal Society, p. 37.

The following paragraphs reveal four studies; two of which involve self-reported crime (employee theft), one of which involves attitudes toward stealing regarding the size of the victim organization, and one of which involves an analysis of occupational crimes committed by department store employees against their employer. The findings and results of these studies appear in the section of this chapter regarding offender characteristics, attitudes, and concepts.

Donald N.M. Horning's Study

During the period between 1959 to 1960, Horning conducted a study of thefts by industrial workers from their place of employment. Horning sought to provide a detailed analysis of the lore and data of pilfering in a major assembly plant for the television division of a large electronics corporation. This plant was located in a community with a population of about 30,000. The plant employed about 4,000 production employees and 1,000 salaried personnel. There were no parts fabrication, research, or experimental operations in the plant.<sup>88</sup>

The subjects who participated in Horning's study did not constitute a representative sample of the plant employees as women were excluded (due to labor union demands), and the research included all departments rather than being confined to several departments (also due to labor union demands).<sup>89</sup>

Horning contacted 107 subjects who were known to him by name and address. These 107 subjects were picked on a nonrandom basis, thus limiting the statistical procedures that were utilized in analyzing the data. Company and union files on these subjects were not made available

---

<sup>88</sup> Horning, Blue Collar Theft, pp. 51-70.

<sup>89</sup> Ibid.



to Horning due to regulations.<sup>90</sup>

All but one of the 107 subjects were contacted personally; and of the 106 subjects who were personally contacted, 92 agreed to participate in the research. Of the 92 who agreed to cooperate, 90 were interviewed. Of the 90 interviewed, two obviously falsified information thus leaving 88 interviews for analysis.<sup>91</sup>

Horning conducted the interviews of these 88 male employees in private at a place of the employees' choosing. None were contacted or interviewed at the plant. He utilized an interview schedule consisting of 119 questions regarding general personal information, occupational information, and peculation information to include the employees attitudes as they relate to pilfering.<sup>92</sup>

#### Ronald L. Tatham's Study

In the winter of 1972-1973, Tatham contacted 100 retail employees at a local shopping mall, a downtown shopping area, and in adult education classes. The respondents were asked if they had ever taken merchandise from their place of employment without paying for it, as well as other questions about their attitudes and opinions regarding this activity. Confidentiality of this survey was supported through a ballot-box return system. Two of the 100 respondents did not answer the question of whether or not they had taken merchandise, and their responses were discarded. However, of the remaining 98 responses, 49 were affirmative

---

<sup>90</sup> Ibid.

<sup>91</sup> Ibid.

<sup>92</sup> Ibid.

and 49 were negative.<sup>93</sup>

Tatham questioned the respondents on their attitudes and opinions regarding stealing as related to the value of the merchandise, guilt feelings, reporting fellow employees who steal, appropriate punishment of those who steal, and unauthorized markdowns.<sup>94</sup>

Due to the high proportion of nonresponses Tatham had in contacting retail employees who would submit to this survey, he made no attempt to treat this as a probability sample or to make projections to the population of retail employees. His "significance tests" were used only to examine difference within the sample.<sup>95</sup>

Tatham believed, through his survey, that he substantiated the generalization that employee theft is widespread and is either viewed as an accepted practice or at least a practice that wouldn't cause great concern among the employees.<sup>96</sup>

#### Erwin O. Smigel's Study

In the early 1950's, Smigel conducted a survey to test his hypothesis that most individuals, if obliged to choose, would prefer to steal from, and be more approving of others stealing from, large-scale and impersonal organizations. These organizations consisted of large business, small business, and the U.S. Government.<sup>97</sup>

---

<sup>93</sup>Tatham, Journal of Retailing, pp. 49-55.

<sup>94</sup>Ibid.

<sup>95</sup>Ibid.

<sup>96</sup>Ibid.

<sup>97</sup>Erwin O. Smigel and H. L. Ross, Crimes Against Bureaucracy (New York: Van Nostrand Reinhold Co., 1970), pp. 15-16.

To explore this hypothesis, Smigel conducted a random sample of 212 non-transient adults of Bloomington, Indiana. These respondents were interviewed in their homes, and were asked questions involving stealing from these three organizations.<sup>98</sup>

Gerald D. Robin's Study

In the mid-1960's, Robin conducted a study of the analysis of occupational crimes committed by department store employees against their employers. Three large, independent department store companies provided the source data utilized in this project. The population studied consisted of the confidential security records of all employees who committed crimes against their firms and were apprehended during specified periods of time prior to the study. The number of cases of such dishonest employees totaled 1,681.<sup>99</sup>

Robin utilized private records rather than police statistics or other public records because the latter represented a highly biased segment of the dishonest employee universe. This was due to Robin's belief that criminals who are detected, apprehended, and handled by employers or private police for property offenses are generally not turned over to the authorities nor do their violations become part of public record. Thus, reliance upon public records for offenses with low reportability may result in distortions of the personal, social, and situational facts associated with the behavior under scrutiny, making the search for criminal etiology more difficult.<sup>100</sup>

---

<sup>98</sup> Ibid.

<sup>99</sup> Robin, Employees as Offenders, pp. 1-4.

<sup>100</sup> Ibid.

Robin chose department stores as the context in which to study employee theft rather than other retail or commercial concerns because (1) of their high degree of susceptibility to employee victimization, (2) their systematic approach to the problem of internal theft, (3) the adequacy of their records for scientific analysis, and (4) the availability of a sufficiently large number of employee malefactor records to permit exhaustive statistical treatment of the data.<sup>101</sup>

#### Offender Characteristics, Attitudes, and Concepts

##### Attitudes

According to Smigel, many crimes committed against bureaucratic organizations are probably undetected and never appear in official statistics. However, if the assumption is made that all individuals do not engage in crimes against bureaucratic organizations, it can be assumed that the vast majority see very little or nothing wrong in certain kinds of these crimes. Moreover, if a concentration of the society's wealth in the hands of the bureaucracy continues, it is likely to be accompanied by a continuing growth of property crimes against bureaucratic victims.<sup>102</sup>

The size, wealth, and impersonality of large organizations are attributes which make it seem excusable, according to many people, to steal from these victims. The myth that theft appears to be easier to excuse when the victim has much larger assets than the pilferer is known as the "Robin Hood" myth.<sup>103</sup>

---

<sup>101</sup> Ibid.

<sup>102</sup> Smigel and Ross, Crimes Against Bureaucracy, p. 6.

<sup>103</sup> Ibid., p. 7.



Smigel's study revealed that when respondents were "forced" to choose a victim organization from which to steal, they weighted their selection in the following order: large business, government, and small business. Those respondents who chose to steal from the government overwhelmingly reasoned on the basis of the lesser evil. Its size, to include anonymity, impersonality, bureaucratic inefficiency, and power seemed to play a major part in their decision. Yet other elements such as fear of capture and punishment, patriotism, and not wanting to cheat onself also enter the picture. No one-to-one correlation exists between size and stealing preference, even though a relationship between size of the victim organization and stealing preference was confirmed.<sup>104</sup>

According to Smigel, most individuals who steal from bureaucratic organizations may differ from more stereotyped criminals in that they usually lack criminal records and criminal self-conceptions. It is very likely that individuals who commit crimes against bureaucratic organizations frequently define the situation as noncriminal. In fact, they may even regard their conduct as appropriate, given their conceptions of the nature of the victim.<sup>105</sup>

Employee thieves, according to Donald R. Cressey, must be able to justify a trust violation to themselves without regarding themselves as criminal. The potentially dishonest employee is convinced that the verbalization which adjusts the concept of being a trusted employee with the concept of using the entrusted funds or property, is the crux

---

<sup>104</sup> Ibid., p. 28.

<sup>105</sup> Ibid., p. 9.

of the individual theft problem. The words that the potential thief uses in his conversation with himself/herself actually are the most important elements in the attitudinal process which gets him/her into trouble, or keeps him/her out of trouble.<sup>106</sup>

Marshall B. Clinard and Richard Quinney believe that a major characteristic of employee theft is the way in which the offender conceives himself or herself. Since the offense takes place in connection with their occupations and the offenders generally regard themselves as respectable citizens, they do not regard themselves as criminal. At most, they may regard themselves as being "law-breakers."<sup>107</sup> The maintenance of a noncriminal self-concept is one of the essential elements in the process leading to employee theft.

In Tatham's study, a majority of the respondents who admitted theft activities from their employers, stated that they did not consider their actions to be stealing.<sup>108</sup> Thus, these employee thieves would, in all probability, not consider themselves to be criminals.

Employee pilferage, oddly enough, is not thought of as a crime by most individuals. While it is a theft perpetrated while in a position of trust and responsibility, it is seldom done specifically for financial gain or profit. There is considerable concern today that more losses from business and industry are caused by so-called "honest people" than by any other reported crimes combined.<sup>109</sup> Employees

---

<sup>106</sup>Cressey, Security World, pp. 16-21.

<sup>107</sup>Marshall B. Clinard and Richard Quinney, Criminal Behavior Systems: A Typology (New York: Holt, Rinehart and Winston, 1967), p. 132.

<sup>108</sup>Tatham, Journal of Retailing, pp. 49-55.

<sup>109</sup>Thomas W. Wathen, Security Subjects (Springfield, Il.: Charles C. Thomas, 1972), pp. 73-74.

frequently become impervious to, or even contemptuous of, the actual value of what they are stealing and may even chose to regard it as their own property.

Perhaps one reason individuals (to include dishonest employees) tend to be tolerant of the employee thief is that they do not feel personally threatened by his/her dishonest activities. The employee thief seldom has to resort to force or violence, and the victim is usually an impersonal, inanimate organization. Thus, many individuals feel that they are in no danger from this thief.<sup>110</sup> They do not consider the fact that the employee thief takes money from all of us in the form of higher prices for the products and services of business and industry, or higher taxes for the services of the government.

Perhaps some individuals see something of themselves in the employee thief, and thus they may judge him/her leniently. The employee thief is frequently a member of the middle class. Often he/she is relatively well educated and has been exposed to all of the ethical values that the Western civilization cherishes. Usually, the employee thief does not consider himself to be a "real criminal." He/she may be convinced that he/she is just "borrowing" something which the employer "owes" him/her.<sup>111</sup>

Horning's study reveals some interesting concepts regarding the classes of property. All but a few of the 88 subjects reported the existence of three broad classes of property in the work plant: corporate property; personal property; and property of uncertain ownership.

---

<sup>110</sup>W. J. Jeffery, "The Forty Thieves," FBI Law Enforcement Bulletin, July 1970, pp. 16-19 and 29-30.

<sup>111</sup>Ibid.



Horning examined only the hard core outer fringe for each class of property (company versus personal) to facilitate discussion. Horning believed that, theoretically, all property within the plant that was not personal was corporate. However, the third category, property of uncertain ownership, was a residual category into which the workers placed all materials, components, and tools that were not included in the other two categories. This included the small, plentiful, and inexpensive items such as screws, nails, nuts, bolts, scrap, etc.<sup>112</sup>

Even though the workers perceived three forms of property in the plant, they perceived only two victims; the corporation in the case of corporate property, and the individual in the case of personal property. The property of uncertain ownership had no victim.<sup>113</sup>

#### Motives

Many motives lie behind the problem of employee theft. For this study, the following motives will be utilized; personal use, resale, for friends, grievance (to include kicks or reputation), and by accident. Each of these motives can be subdivided into many attributes; however, for the sake of brevity, these five major categories will be utilized.

In Robin's study, 281 of the 1,681 offenders offered specific reasons for their dishonesty. The remaining 1,400 offenders either could not explain their behavior or their record contained no reference to motivation. Slightly over half (52 percent) of the 281 offenders said that at least part of the merchandise they stole was for personal

---

<sup>112</sup>Horning, Blue Collar Theft, pp. 80-93.

<sup>113</sup>Ibid.



consumption, with 40 percent giving personal consumption as the sole reason for theft. Eighteen percent either had sold or intended to sell at least part of the pilfered merchandise, while 16 percent said they took at least part of the merchandise for the consumption of others. (percentages do not total 100 percent because of overlapping categories).<sup>114</sup>

Horning's study revealed that most of the property is regarded as having been taken, or is actually taken, for personal use or convenience by the workers; 94.3 percent believed their peers stole for this reason, and 97.3 percent admitted that they stole for this reason.<sup>115</sup> The personal use theme also has an economic factor built into it because in addition to it being convenient, it also saves money.

#### Proportion Who Pilfer

Employee pilfering and stealing, major and minor, are frequently committed and known but are not reported by businesses, stores, industrial enterprises, factories, governmental agencies, and private individuals. There is a classic case of a company in the U.S. which asked its workers to gather together in the open yard one evening before leaving for home. The reason for this gathering was to take a group photograph of the employees as a memento, but the employees did not know this. Upon assembling in the yard, the ground was suddenly covered with tools and equipment which was part of the employees' daily takings. Both the amount of pilfered items, and the number of dishonest employees were equally appalling.<sup>116</sup>

---

<sup>114</sup> Robin, Employees as Offenders, pp. 97-98.

<sup>115</sup> Horning, Blue Collar Theft, pp. 125-128.

<sup>116</sup> Manuel Lopez-Rey, Crime: An Analytical Appraisal (New York:

One source presently estimates that 30 percent of all employees will go out of their way to steal, 40 percent will steal unless their activities are closely controlled and/or monitored, and the remaining 30 percent of the employee force will usually not steal under any circumstances.<sup>117</sup> According to another source (a large bonding company), approximately 50 percent of all employees are subject to the temptations of stealing from their employers, depending on circumstance. If given the opportunity to steal, these employees will eagerly do so.<sup>118</sup>

In Tatham's study, of the responses from 98 retail store employees, 49 respondents (50 percent) admitted to taking merchandise from their employer without paying for it.<sup>119</sup>

In Horning's study, 90.8 percent of the workers surveyed reported that they had pilfered from the plant whether intentionally, or unintentionally.<sup>120</sup>

#### Modus Operandi

Many firms find themselves unable to stop or reduce the spiraling costs of employee theft, in spite of their best efforts. One reason for this is that management really does not know how employees steal; and therefore, cannot effectively set up appropriate countermeasures. Security specialists estimate that there are over 4,000 methods of

---

Praeger Publishers, 1970), p. 31.

<sup>117</sup>Frederick E. Hernon, "A Corporate Profit's Christmas Carol," Security World, December 1976, pp. 12-13.

<sup>118</sup>Jaspan and Black, The Thief in the White Collar, p. 236.

<sup>119</sup>Tatham, Journal of Retailing, pp. 49-55.

<sup>120</sup>Horning, Blue Collar Theft, p. 111.

employee theft from business and industry. Many of these methods are merely variations of a limited number of repeated techniques.<sup>121</sup>

In this study, modus operandi will be limited to the methods of theft and the manner of theft. The methods of theft include the following attributes of concealment: hidden on the person, hidden in a vehicle, carried in the open, and hidden in a container. The manner of theft includes the following attributes: solitary theft and collusive theft.

Robin's study revealed (when this information was recorded) that 44 percent of the offenders who stole merchandise concealed it upon their person. Nineteen percent of the offenders at some time passed merchandise to others.<sup>122</sup> However, Horning's study revealed that small items are frequently removed from the plant in clothing and lunch pails. All but one (98.9 percent) of the 88 workers surveyed reported these methods of concealment for getting small items out of the plant. The most frequently mentioned technique was to conceal the object under a bulky piece of clothing.<sup>123</sup>

Fourteen percent of the 1,681 offenders in Robin's study ever stole with others. Thus, 86 percent of all offenders were always solitary thieves.<sup>124</sup> Horning's study revealed that the surveyed plant workers viewed pilfering as a solitary activity. Only 6 (6.8 percent) of the workers reported having served as the accomplice of other workers

---

<sup>121</sup>Curtis, Security Control: Internal Theft, p. 47.

<sup>122</sup>Robin, Employees as Offenders, p. 129.

<sup>123</sup>Horning, Blue Collar Theft, pp. 140-144.

<sup>124</sup>Robin, Employees as Offenders, p. 95.

when they pilfered. Six workers (6.8 percent) had reported that they had received assistance from other workers when stealing from the plant.<sup>125</sup> It was not established if the 6 accomplices had helped the 6 workers who advised they received assistance from other workers.

#### Age

Official reports show major conventional crime to be heavily concentrated in the 15-25 year old group. We often think of criminals as being active and strong which is a stereotype that seems to be confirmed by such data. However, age variations in crime are much more likely to reflect social position and the impact of social pressures. Also, shifts in the age composition of the population in part account for growing crime as the high crime-risk group between 18 and 24 years of age has been increasing much faster than other groups in the population.<sup>126</sup>

The FBI's Uniformed Crime Report regarding total reported arrests for larceny-theft for 1974 reveals that there were 729,661 reported arrests. A table regarding a breakdown of these arrests by age may be found on the next page.

While the Uniform Crime Report does not break down the number of larceny-theft arrests by the nature of the thefts, the experience of most business men is that teenagers and young adults commit more thefts than more mature employees. This may be attributed to the fact that many teenagers and young adults do not have the opportunity to develop company loyalty. This factor, combined with the lack of

---

<sup>125</sup>Horning, Blue Collar Theft, pp. 140-144.

<sup>126</sup>Schur, Our Criminal Society, pp. 32-39.



personal challenge provided by their job assignments, contribute to the kind of frustration that promoted internal theft.<sup>127</sup>

REPORTED ARRESTS FOR LARCENY-THEFT  
FOR 1974 BY AGE<sup>128</sup>

<u>10 and under</u> 20,384	<u>11 and 12</u> 43,662	<u>13 and 14</u> 101,168	<u>15</u> 66,205	<u>16</u> 65,207
<u>17</u> 60,069	<u>18</u> 51,337	<u>19</u> 39,384	<u>20</u> 31,914	<u>21</u> 26,725
<u>22</u> 22,945	<u>23</u> 20,247	<u>24</u> 18,182	<u>25-29</u> 57,531	<u>30-34</u> 30,780
<u>35-39</u> 19,948	<u>40-44</u> 15,336	<u>45-49</u> 12,238	<u>50-54</u> 9,726	<u>55-59</u> 6,357
<u>60-64</u> 4,454	<u>65 and over</u> 5,400			

In Robin's study, those offenders who were between 20 and 24 years old were the most frequently apprehended, constituting one-fifth of the employee thieves. Twenty-two percent of the 1,663 cases in which age was known were teenagers (16-19 years old), and only 13 percent of the dishonest employees were 45 or older. One-fifth were between 30 and 34 years of age. The mean age for the 1,663 cases was 29.7 years.<sup>129</sup>

In Horning's study, 46.6 percent of the surveyed employees believed the younger workers to be more active in pilfering. However,

<sup>127</sup>Curtis, Security Control: Internal Theft, p. 28.

<sup>128</sup>FBI, Crime in the United States - 1974, pp. 186-187.

<sup>129</sup>Robin, Employees as Offenders, pp. 42-46.

Horning subsequently determined that actually neither the very young nor the very old workers are the most likely to be engaged in pilfering. Instead, the intermediate aged workers, those between 30 and 39, assumed the most active role in pilfering of goods from the plant. These workers between 30-39 years of age pilfered more frequently than any other group, and the total value of the goods pilfered (annually) was higher.<sup>130</sup>

### Religiosity

A great majority of Americans will state their belief in God, their view that religion is very important, their affiliation with a religious denomination, and their regular or occasional attendance at a church or synagogue. Yet, America continues to be plagued by an apparently unstoppable flow of crime problems. This confusion may be compounded when it is learned that various systematic studies have found high proportions of adjudicated delinquents and convicted adult offenders reporting both church membership and church attendance. One must appreciate the relatively superficial nature of much religious behavior in modern American society. Americans who profess religious belief and affiliation also state that their religious beliefs have exerted little influence on their ideas concerning everyday conduct.<sup>131</sup> Thus, religious affiliation and church attendance are not much use as indicators of commitment to religious ideals or behavior inspired by, or consistent with, religious beliefs.

Horning grouped the subjects of his study into three classes:

---

<sup>130</sup>Horning, Blue Collar Theft, pp. 172-174.

<sup>131</sup>Schur, Our Criminal Society, pp. 83-84.

the nonreligious (those who do not attend services), the conventionally religious (those who attend from one to seven services every month), and the highly religious (those who average eight or more attendances per month). Horning determined in his study that there was not a great degree of difference in the proportion of workers in these three religious categories who did not pilfer. Also, the frequency of a worker's religious attendance is not a valid indicator of the frequency with which he/she will pilfer.<sup>132</sup>

Horning discovered that religiosity does appear to have some impact on pilfering as it affects the workers' attitudes toward the act of pilfering. Only 22.5 percent of the nonreligious subjects reported feelings of guilt, whereas 35.3 percent of the workers with conventional religiosity and 82.3 percent of those who were highly religious reported guilt feelings. Also, religious workers are more critical of pilfering as a behavior than those who are not religious.<sup>133</sup>

#### Economic Status

In April 1970, Assistant Secretary of Labor, Jerome Rosow, advised President Nixon that the economic status of blue collar workers has become a subject of increasing concern within the last few years. Rosow advised that many blue collar workers were finding themselves as hard pressed as ever. About 40 percent of American families (a total of 70 million people) lived on incomes of \$5,000 to \$10,000 a year. For today's blue collar worker caught in a web of never-ending debts and responsibilities, it was barely enough to stay solvent.

---

<sup>132</sup>Horning, Blue Collar Theft, pp. 187-189.

<sup>133</sup>Ibid., pp. 190-191.

Expenses continue to rise as family members are born and as they become homeowners, and car and home equipment pressures mount.<sup>134</sup> Stated simply, income was not keeping pace with need, the more so as needs become most critical.

It would be difficult not to conclude that a great deal of crime is attributable, at least indirectly, to poverty. Surprisingly, criminologists appear rather reluctant to assert that poverty causes crime. Poverty cannot provide the basis for a universal theory explaining all crime for clearly much crime does not stem from this condition. However, even if poverty is not a direct cause of crime, it is still fully appropriate to conclude that a great deal of the crime we are now experiencing bears a very close relationship to the conditions of poverty that exist in the U.S.<sup>135</sup> At the same time, it is also believed that no amount of socio-economic reform will eliminate all crime and there is no alternative economic system that provides a panacea for the problems of crime.

Economic status in this study refers to living arrangements (own or buying a home and renting) and part-time work status; both representative of personal worth and income. There are many other measurements of economic status such as the the net worth of an individual's total assets, etc. However, much of this data is very personal and questions regarding this information might possibly cause selected respondents not to complete the recommended questionnaire, or complete it with dishonest responses.

---

<sup>134</sup>Richard Parker, The Myth of the Middle Class (New York: Harper and Row, 1972, pp. 134-136.

<sup>135</sup>Schur, Our Criminal Society, pp. 122-123.



Horning determined that home ownership, or home purchasing, did not bear much relationship to the frequency of covert theft in the plant. He assumed that there is no relationship between home ownership (or lack of ownership) and a worker's pilfering from his/her employer.<sup>136</sup>

Horning's study further revealed that those workers who were engaged in supplemental part-time employment were also more likely to engage in pilfering. The "moonlighters" pilfered an average of \$11.60 a year and the "nonmoonlighters" averaged \$2.65.<sup>137</sup>

#### Education

The educational background of an individual, when compared to that individual's attitude regarding his/her approval or disapproval of stealing, has a positive effect. For example, respondents to Smigel's study with a high school diploma or less education were more approving of stealing than were those with more education.<sup>138</sup> However, Robin's and Horning's studies reveal the opposite relationship when looking at reality.

In Robin's study, of the 1,409 cases in which this variable was known, only 8 percent of the offenders had less than 9 years of schooling, almost half were high school graduates, and 15 percent had some college background. In other words, three-fifths of the offenders had at least a high school education.<sup>139</sup>

---

<sup>136</sup>Horning, Blue Collar Theft, pp. 183-184.

<sup>137</sup>Ibid., pp. 215-220.

<sup>138</sup>Smigel and Ross, Crimes Against Bureaucracy, p. 18.

<sup>139</sup>Robin, Employees as Offenders, pp. 65-70.

Horning's study revealed that the less education a worker has, the smaller is the likelihood the he/she will pilfer. He determined that there is a progressive increase in the proportion of workers who pilfer as one moves from the less educated workers to the better educated workers (100 percent of those who reported some college, reported that they had pilfered). Also, the more highly educated workers were more frequently represented among the heavy (high total annual value) pilferers.<sup>140</sup>

#### Risk and/or Fear

The fear of instant discovery is the most important deterrent to employee theft according to many experts in this field. However, when that likelihood is eliminated due to poor management controls, theft is bound to occur.<sup>141</sup> Threats of prosecution or dismissal for employees caught stealing are never as effective as the fear or conviction that management supervision is such that discovery will almost certainly follow any employee theft.

If the employee knows beforehand that the firm will not prosecute a thief, the deterrence of fear of arrest and conviction is lost. Policies of nonprosecution become known even when they are not in writing. Company discipline, or even discharge, will not deter short-term or transient employees from stealing.<sup>142</sup>

---

<sup>140</sup>Horning, Blue Collar Theft, pp. 175-177.

<sup>141</sup>Green and Farber, Introduction to Security, p. 80.

<sup>142</sup>Richard J. Healy and Timothy J. Walsh, Industrial Security Management: A Cost-Effective Approach (American Management Association, Inc., 1971), p. 129.

Most respondents in Smigel's study were afraid of the consequences of stealing from a large organization. The government as a victim especially inspired the fear of being caught and sentenced. The respondent's replies indicated that were they not afraid of the punishment, they might have preferred to steal from larger organizations.<sup>143</sup>

Tatham's study revealed the generalization that an employer will have few employees informing him/her of other employees' thefts. Tatham also discovered that the majority of those who would speak up come from those employees who have not stolen from their employer.<sup>144</sup>

Of the 88 subjects in Horning's study, not one was willing to admit that pilferers were always caught, and only one (1.1 percent) believed that pilferers were always caught. Most of the workers (88.6 percent) believed that pilferers were only rarely caught (little chance of getting caught) and 9.1 percent went so far as to indicate that they doubted if any were ever apprehended (no chance of getting caught).<sup>145</sup>

#### Time-in-service

Insurance company statistics on fidelity claims have revealed that long-term employees are more of a serious security problem than new employees. While new employees, especially teenagers, are a high security risk in terms of the number of thefts committed, long-term employees steal large amounts on a less frequent basis. According to one study, employees who were involved in major thefts were not caught

---

<sup>143</sup>Smigel and Ross, Crimes Against Bureaucracy, p. 21.

<sup>144</sup>Tatham, Journal of Retailing, pp. 49-55.

<sup>145</sup>Horning, Blue Collar Theft, pp. 148-149.

until they had been employed an average of nine years by the company.<sup>146</sup>

The new worker is usually not yet trusted by his manager, in contrast to the older employee whose honesty is too often taken for granted. Thus, any furtive acts taken by the new employee are usually immediately noticed and dealt with by the boss. Since management is more apt to be suspicious of new personnel, they usually catch more of them stealing. But thefts by new personnel are rarely large as they have only begun their illegal activities. However, the dishonest long-term employee has usually built up a substantial theft figure by the time he is finally caught.<sup>147</sup> The more costly and more serious employee theft cases invariably involve long-term workers.

Another factor is the experience that a long-term worker acquires regarding the businesses' systems, security, and operation. If the business has loopholes in its systems, the long-term employee knows about them. Also, if other dishonest employees are stealing, long-term employees usually know their methods.<sup>148</sup> This knowledge, coupled with the fact that most of their activities no longer arouse curiosity, will make them a greater theft threat in terms of dollar losses than the new employee.

The most striking feature of Robin's study was that the length of time employee offenders worked for the company was a relatively short period. He found that the "long years of service" theme so frequently used in describing embezzlers was hardly applicable to the department store surveyed employees. Of the 1,648 cases in which

---

<sup>146</sup>Curtis, Security Control: Internal Theft, p. 39.

<sup>147</sup>Ibid., pp. 39-40.

<sup>148</sup>Ibid., p. 40.



this variable was known, one-third were employed for less than 6 months, and two-thirds for under 2 years. Less than one-fifth of the offenders were employed for 5 years or longer. In other words, two-thirds of the employee thieves may be described as short-term employees (less than 2 years service), one-fifth as medium-term (between 2 and 5 years service), and slightly less than one-fifth as long-term employees (5 years or more service). The average length of service for the employee offenders was 2.8 years.<sup>149</sup> Robin's study also revealed that in general, there was a positive association between length of service and total dollar value of thefts (size of theft), even though there were some notable exceptions to this relationship.<sup>150</sup>

Horning also determined that there is an inverse relationship between the job seniority (time-in-service) of the workers and the extent to which they are likely to engage in pilfering. The proportion of workers who are actively engaged in pilfering is the greatest for those having the least seniority (88.9 percent of the workers in the 0-5 year seniority category are pilferers, and only 80.8 percent of the workers in the 6 or more year category are pilferers).<sup>151</sup>

However, Horning's study revealed data contrary to the generally accepted hypothesis that there is a positive relationship between time-in-service and the amount (dollar value) pilfered by employees. He found that the proportion of workers involved in heavy pilfering (\$10 or more per year) appears to be substantially greater for workers

---

<sup>149</sup>Robin, Employees as Offenders, pp. 55-62.

<sup>150</sup>*Ibid.*, p. 112.

<sup>151</sup>Horning, Blue Collar Theft, pp. 204-206.

having the least amount of seniority. The average amount pilfered annually shows this same tendency with the workers in the least tenured category taking goods valued at \$8.46 annually compared to \$3.75 annually for workers in the 6 or more year category.<sup>152</sup>

#### Dependents

The presence of dependents (which includes wife, children, parents, relatives, etc.) is generally believed to have a stabilizing effect on an individual's employment and work behavior as he/she has an economic obligation to others. A worker with dependents is thought to have a greater sense of responsibility than one that has no dependents. It could then be reasoned that the greater the sense of responsibility a worker has, the less likely he/she would engage in the crime of stealing from an employer.

In Robin's study, about half of the offenders in the 1,605 cases (in which this variable was known) were married. Five percent of these offenders were separated or divorced (the presence of dependents was unknown). Seventy-one percent of the married employee offenders had children, with 23 percent of them having more than two children; one-quarter of the 1,681 thieves had dependent children.<sup>153</sup>

Horning's study revealed that the expected inverse relationship between pilfering and the presence of dependents was not supported through analysis of his data. Dependents do not appear to have a restraining effect on the worker's pilfering as generally thought.<sup>154</sup>

---

<sup>152</sup> Ibid.

<sup>153</sup> Robin, Employees as Offenders, pp. 62-65.

<sup>154</sup> Horning, Blue Collar Theft, pp. 184-186.

### Morale

It is a generally accepted concept that satisfied, motivated employees who function through team effort will be far less likely to be frustrated in their endeavors and will not be prone to commit hostile or dishonest acts against their employers.<sup>155</sup> Frustration results when the essential human needs such as personal value and importance, to include emotional security, are not fulfilled. Frustration may manifest itself through the low morale of employees, and this low morale will invariably cause employee thefts.<sup>156</sup>

When internal thefts do occur, employee morale will suffer even more. Most self-respecting employees usually do not want to work alongside others they know to be thieves.<sup>157</sup> Even worse than this situation is the strong possibility that management may lose the respect of rank-and-file employees if it becomes obvious that it either does not care or lacks the ability to control such a situation.

Horning discovered that the workers with the least favorable attitudes toward the company (but not necessarily unfavorable attitudes toward their job or boss) tended to pilfer the most.<sup>158</sup> Conversely, the workers who had the most favorable attitudes toward the company (but not necessarily favorable attitudes toward their job or boss) pilfered the least.

---

<sup>155</sup>Hulon D. Cockrell, "Hostile Acts of Aggression and Motivation," Security Management, August 1972, pp. 37-39.

<sup>156</sup>Curtis, Security Control: Internal Theft, p. 323.

<sup>157</sup>Charles F. Hemphill Jr. and Thomas Hemphill, The Secure Company (Homewood, Il.: Dow Jones-Irwin, 1975), p. 54.

<sup>158</sup>Horning, Blue Collar Theft, pp. 220-231.

### Frequency of Pilfering

Horning discovered that pilfering was not an infrequent event in the plant that he conducted his study. As many as one-fifth of the workers pilfered as often as once a month and over one-half pilfered at least once every six months.<sup>159</sup>

Of the 1,681 offenders in Robin's study, 40 percent stole only once. 8 percent stole 2 or 3 times, and 53 percent admitted stealing on at least 4 separate occasions (time between thefts was not indicated).<sup>160</sup>

### Guilt

The more distant and impersonal the victim, the easier it usually is for the thief to rationalize his dishonesty with his conscience regarding guilt or remorse.<sup>161</sup> While the factors which cause this rationalization are undoubtedly varied and complex, a few relatively simple observations may be able to demonstrate its validity.

The concept held by Western societies and individuals that the illicit taking of another's property is immoral, is probably based in large part on the suffering of the victim. When the victim is an individual who is close at hand, the thief can usually clearly perceive this suffering. He can even empathize with the victim. However, as the victim becomes more impersonal and distant, the thief's imagination or empathy regarding the victim becomes diminished.<sup>162</sup> The feelings of

---

<sup>159</sup>Ibid., pp. 112-113.

<sup>160</sup>Robin, Employees as Offenders, p. 92.

<sup>161</sup>Robert L. Mersky, "The Dishonest Employee . . . A Behavioral Problem," Security Management, July 1973, pp. 6-14 and 32.

<sup>162</sup>Ibid.



empathy and guilt are difficult for an individual when a large corporation or the government are the victims.

Closely related to the above concept is the relative value of the items stolen as perceived by the thief.<sup>163</sup> If the thief believes the victim's loss as small to his (thief's) gain, he may not be able to feel that his victim has suffered any loss and thus may not feel guilty about his "illegal" activities.

Not one of the respondents in Tatham's study who took items exceeding \$25 in value expressed any feeling of guilt. However, as the value of the stolen item increased over \$25, there was a clearer perception that the act was stealing whether or not the respondent felt a sense of guilt.<sup>164</sup> In fact, there appeared to be little relationship between the value of the items taken and any expression of guilt.

In Horning's study, 81.8 percent of the workers surveyed believed that their fellow workers did not feel guilty about their pilfering. Only 15.9 percent reported that they believed their peers felt any guilt, and 2.3 percent evaded this issue. Of the 80 subjects who admitted to pilfering, 29 (36.2 percent) reported they felt guilty, while 51 (63.7 percent) reported that they did not feel any guilt.<sup>165</sup>

---

<sup>163</sup>*Ibid.*

<sup>164</sup>Tatham, Journal of Retailing, pp. 49-55.

<sup>165</sup>Horning, Blue Collar Theft, pp. 94-100.

## CHAPTER III

### EVALUATION OF THE RESEARCH AND GENERAL PROPOSITIONS

#### Evaluation of the Research

##### The Problem of Validity

As Horning, Tatham, and Smigel encountered in their studies, the problem of determining and evaluating the extent to which the answers of the respondents correspond to their actual actions and true feelings or beliefs is one of the most serious problems confronting this type of research.

In Horning's and Tatham's studies, illegal behavior is generally not sharable as it is usually regarded as unmentionable, unless the subjects are assured of complete anonymity and the listener is either a trusted individual or remains totally dispassionate. Also, to share this information with a researcher who is able to identify a given person's responses and who might compromise this confidentiality, could have costly consequences. The offender's behavior is in direct violation of criminal law and therefore, it is grounds for criminal prosecution.

Another important factor which accentuates the problem of validity in Horning's and Tatham's studies lies in the fact that there was no established data available to them with which the obtained data might have been evaluated. Company or business records were not readily available and would have been of doubtful utility. Also, police files would have been of relatively little use for obvious reasons even if

made available to Horning and Tatham.

Both Horning and Tatham had sampling problems. Horning was limited in his sampling techniques as he had only one company (out of eight that he had contacted) allow him to conduct his survey. His sampling techniques were further limited regarding the one company in which he conducted his survey because of union and management interference and demands. They greatly interfered with his obtaining a representative sample of company employees.

Tatham had another type of sampling problem. Due to the high proportion of nonresponses Tatham had in contacting retail employees who would submit to his survey, he could not treat the respondents as a valid probability sample. Thus, he could not make general projections to the population of retail employees.

Robin's study, which involved the analysis and evaluation of data from confidential security records, dealt with valid information; however, its reliability was questionable. He had to rely on information that was recorded by many individuals, and some of this information was lacking in significant detail, and/or may have even been erroneous.

Thus, in view of the relative inadequacy of established data available and/or the absence of alternative records, these researchers were compelled (in various degrees) to rely upon questionable data.

#### General Propositions Derived from the Related Literature

The data and conclusions in the review of related literature may be converted into 22 general principles or propositions. Although many propositions may be formed relative to each of the topics in this summary, these propositions were limited in those sections for which data

were available and which could be checked or measured by further research. The recommendations for further research in this area will be discussed in Chapter IV. The following propositions were set up to be tested by further research.

#### A. Attitudes

1. Most individuals, if obliged to choose, will prefer to steal from large and impersonal organizations rather than small scale and personal organizations.
2. Employee pilferers will reject a view of themselves as individuals who intentionally steal.

##### Definition:

individuals who intentionally steal - those who purposefully steal; thieves.

3. A majority of workers will view property in their work area as falling into three categories: (1) personal property; (2) company property; (3) property of uncertain ownership.

##### Definition:

property of uncertain ownership - property which is viewed as neither belonging to the employer or to a specific employee(s).

#### B. Motives

1. A majority of employee pilferers will steal for personal use.

##### Definition:

personal use - for the employee's own consumption, which may stem from convenience or from the fact that money is saved by stealing rather than buying.

#### C. Proportion who pilfer

1. A majority of employees pilfer from their employer, whether intentionally or unintentionally.

##### Definitions:

intentionally - purposefully; the employee who intentionally steals would be classified as a thief.



unintentionally - no purpose or intent; the individual who unintentionally steals may do so by accident.

D. Modus operandi

1. Employee pilfering is generally a solitary activity as opposed to group pilfering.

Definitions:

solitary pilfering - pilfering without the assistance or cooperation of others.

group pilfering - pilfering with the aid of at least one other person.

2. A majority of pilfered items are concealed on the employee's person.

E. Age

1. Intermediate age employees pilfer more frequently from their employers.

Definition:

intermediate age employees - those employees between the ages of 30-39.

2. Intermediate age employees pilfer a greater amount from their employers than younger or older employees.

Definitions:

amount - total annual value as measured by the dollar amount pilfered and the annual frequency of pilfering.

younger employees - those employees less than 30 years old.

older employees - those employees more than 39 years old.

F. Religiousity

1. Religiousity has no bearing on the frequency with which an employee will pilfer.

Definition:

religiousity - measured by the frequency of religious activities, such as church attendance and prayer meetings.

## G. Economic status

1. The employee's home ownership status bears no relationship to pilfering from his/her employer.

## Definition:

home ownership - owning or buying one's home, house trailer, condominium, town house, etc.

2. There is a positive relationship between an employee's pilfering and his/her part-time employment status.

## Definition:

part-time employment - supplemental employment resulting in additional income.

## H. Education

1. As the amount of formal education increases, pilfering increases.

## Definition:

formal education - measured in terms of achievement of a diploma or degree, as well as education beyond that diploma or degree.

## I. Risk and/or fear

1. A majority of employees believe that there is little chance that they will get caught pilfering.
2. A majority of employees will not report a fellow worker who is pilfering.

## J. Time-in-service

1. There is an inverse relationship between time-in-service and the proportion of employees pilfer.

## Definition:

time-in-service - job tenure or seniority measured by the length of time (years) an employee has worked for his/her employer.

2. There is a positive relationship between time-in-service and the amount pilfered by employees.

## K. Dependents

1. Employees with dependents will not pilfer significantly less than those employees without dependents.

Definitions:

dependents - includes wife, children and others who financially depend on the employee.

employees without dependents - those employees who do not have dependents, to include single, divorced, or widowed individuals.

L. Morale

1. There is an inverse relationship between an employee's morale and the extent of his/her pilfering.

Definitions:

morale - measured by the employee's attitude towards his/her employer, job, and supervisor.

extent of pilfering - measured by the amount pilfered and the frequency of pilfering.

M. Frequency of pilfering

1. A majority of employees will pilfer at least once every six months from their employer.

N. Guilt

1. A majority of employees will not feel guilty relative to their pilfering from their employer.

Definition:

feel guilty - determined by the employee's own admission relative to the extent to which he/she feel after taking property from their employer.

2. A majority of employees believe that their fellow employees do not feel guilty relative to their pilfering from their employer.

## CHAPTER IV

### RECOMMENDATIONS FOR FUTURE RESEARCH

#### Previous Attempts

##### The Problem of Controversy

A self-administered questionnaire was designed to test the general propositions which appeared in the previous chapter. A copy of this questionnaire may be found in Appendix A.

On March 24, 1977, a sub-department of the Department of Defense disapproved of the researcher administering the questionnaire to a selected sampling of its employees. This disapproval was based on the reasons that the results of the questionnaire would be of no benefit to this sub-department, and that the issues under investigation were "controversial." The researcher was advised of a recent example of another researcher who conducted a "controversial" study within this sub-department. He subsequently provided the resulting data to the news media, which was published throughout the U.S. This caused unfavorable publicity regarding this sub-department of the Department of Defense.

It is interesting to note that the Department of Defense is a key organization for scientific and technological change in the U.S. This "technoscience" bureaucracy is one of several which links scientists and technologists to public policy. This Department occupies a major position within the field of science and technology. With fiscal year



1976 expenditures estimated at \$9.9 billion, the Department of Defense is the largest science and technology spender of all the technoscience bureaucracies.<sup>1</sup>

It is one of the ironies of American public policy that so much can be done in the area of scientific and technological change, and so little in other areas related to day-to-day life in our festering cities and urban areas. One possible answer is that the problems of metropolitan America are not technical, but social. Practically every public service function on which the government spends funds has an aspect involving hardware.<sup>2</sup> An explanation for this situation is that the problem is people oriented rather than technologically oriented. Human nature may be at the root of most of our social problems; namely crime. However, resources provided by government for social change are somewhat lacking.

Several attempts to gain permission to administer this questionnaire at large retail department stores in the Sacramento, California area met with negative results. These businesses would not permit any individual to approach their employees during business hours, nor would they provide any individual with the names of their employees so that they could be contacted after work hours. The most frequent reason given for not allowing this activity was "it is against company policy."

A Security Manager for a large retail department store advised

---

<sup>1</sup>W. Henry Lambright, Governing Science and Technology (New York: Oxford University Press, 1976), pp. 4-8.

<sup>2</sup>Ibid., pp. 84-86.

that he is a member of a local security manager's association. He further advised that to his knowledge, the policy of not allowing an individual on company property to administer questionnaires, and of not providing the individual with the names of the employees was common policy among the companies represented by these security managers.

It is obvious that the present climate for conducting this type of research regarding blue collar theft is not very good. Reasons such as "controversial issues" and "its against company policy" for not allowing the administration of the questionnaire may be generally anticipated from selected companies or units of local, state, and federal government. It is difficult to speculate as to what the future climate will be for conducting this type of research. One would assume that it could not be worse.

#### Goals of Future Research and its Significance

As an exploratory-descriptive effort, this recommended future research approach has several objectives. First, it seeks to provide a detailed analysis from the information and data regarding pilfering of an employer's property by employees. Second, it seeks to explore the frequencies or patterns of thefts among employees when reviewed from a selected sampling of employees. Third, this future research seeks to test the validity of previously stated conceptions relative to the characteristics, attitudes, and concepts of employee pilferers. Finally, this future research attempts to evaluate the implications from which the data resulting from this study has for the criminal justice system as well as the field of internal security.

The general propositions which serve as guidelines to this research approach were derived from internal security, criminal justice,

and related sociological literature. These propositions, which are relative to blue collar theft and related activities as presented in this literature, will be tested from the data obtained from the employee respondents via the comprehensive and anonymous questionnaire. The details regarding the recommended research methods and procedures are explained in the following sections of this chapter.

#### Recommended Research Methods and Procedures Preliminary to the Research

##### Obtaining Authority from the Business or Government

Obtaining the proper authority to administer the questionnaire to subjects working for private business or the government is paramount to the achievement of this research project. It is recommended that the researcher request this authority in person rather than by mail or telephone. Forwarding a request via mail limits the amount of information provided the requestee. Also, it does not allow for necessary and immediate feedback or the answering of questions. Even though the telephone contact may reduce these problems, it is likely to reduce the importance of the matter and the sincerity of the requester.

The researcher was required by the sub-department's regulations to complete a written survey approval request which consisted of information pertinent to successfully completing the survey. This included information regarding general research propositions, proposed statistical analysis and evaluation techniques, description and size of the population to be surveyed, description and size of the sample selected, method of selection of the sample, method of tabulating the survey results, and a copy of the proposed questionnaire. Upon questioning the disapproval by the sub-department that this study would be of little benefit, it was



determined that the disapproval was based on relatively limited data. Further questioning determined that the real reason for the disapproval was due to the sensitive nature of the subject matter. Had the climate been different regarding the subject matter, it was anticipated that a face-to-face discussion with the appropriate authority of the sub-department would have possibly resulted in approval to administer the questionnaire.

#### Selecting the Business or Governmental Unit for Study

The ideal research situation would be to select the survey samples which represent the populations from which they are drawn so that they provide useful estimates about the characteristics of that population. They should be representative in that they possess those characteristics that are relevant to the substantive interests of this study.

The survey sample will be representative of the population from which it is selected if all members of the population have an equal chance of being selected in the sample (equal probability of selection method). Even though the survey samples may not be perfectly representative, there is a greater likelihood that samples chosen in this manner will be more representative than nonprobability samples would be.

In selecting the sample (business or governmental unit) that nearly perfectly represents the larger population, much time and money may be needed in order to accomplish this task. If both are limited, the researcher will have to compromise on selecting a less perfect representation. As in Horning's study, one company was selected on a nonprobability basis. This situation will increase the limitations



one must consider when generalizing the conclusions or findings of this research for the entire population. These limitations are discussed in another section of this chapter.

#### Selecting the Subjects

The subjects who participate in this research should constitute a representative sample of the elements or subjects. This may be accomplished through the use of a sampling frame, or list, of the subjects from which a probability sample is selected. The desired number of subjects should be large enough to provide for sufficient numbers of responses in each of the categories or variables under study so that there is adequate data to formulate logical conclusions or findings.

The desired number of subjects should be chosen by systematic sampling whereby every  $k$ th element in the total list is systematically chosen for inclusion in the sample. To insure against any possible bias in using this sampling method, the researcher should utilize a random start. The sampling interval and the sampling ratio should be indicated, as well as the utilization of a random start.

Horning utilized a nonrandom sample of industrial workers in conducting his research. This impacted on the generalizability of the results of his survey as well as raising other limitations. This sampling technique should be avoided, if possible, as it reduces the generalizability of the research.

#### The Research Instrument

A questionnaire was selected as the basic research approach for future study. One of the main reasons for recommending the utilization of a self-administered questionnaire was to protect the anonymity of the

respondents. It is believed that the personal interview approach (as exemplified in Horning's study) might cause potential respondents to refuse to cooperate in this study, as the questionnaire delves into a very sensitive area; namely, the respondent's illegal theft activities. Since personal interviews would have to be conducted on a face-to-face basis, the guarantee of anonymity to the respondents would be difficult to achieve. This brings up the subject of research ethics. The researcher must be motivated by ethical concerns and responsibilities when engaging in social scientific research. Social research should never injure or harm the subjects being studied, regardless of whether or not they volunteered for the study.

Another reason for selecting the self-administered questionnaire as the basic research approach was due to possible time restraints. Conducting personal interviews to a large sample of subjects would take considerably longer than sending questionnaires, which take approximately 15-20 minutes to complete.

A drawback in utilizing the self-administered questionnaire approach concerns its effectiveness when dealing with such highly personal data such as the frequency of pilfering and the amount pilfered over a given period of time. Even though the two questions (24 and 25) involving this information are open-ended contingency questions, the researcher is not able to probe deeper into the respondent's answer to obtain the most accurate (or reliable) response. Thus, the responses to these two questions would be approximations which might be somewhat inaccurate; the degree of which would be difficult to measure.

The questionnaire was pretested by utilizing ten individuals. Some valuable suggestions and insights were obtained from these individuals

concerning the improvement of this predominantly closed-ended questionnaire. A copy of the final form of the questionnaire may be found in Appendix A. It is recommended that this questionnaire be pretested prior to using it for future research. This will also help to insure its current effectiveness as a measuring device.

Some important features of the questionnaire may be noted. First, the fact that the questionnaire was to be voluntary and anonymous is reinforced by spelling this explicitly on the top of the first page. Following this information are brief instructions for the respondent to follow regarding the correct method of filling out the questionnaire.

A second feature of the questionnaire which may be noted is that it is broken down into two basic sections; (1) questions and (2) demographic data. The question section consists of 29 questions; 26 of which are close-ended, and 3 (9, 24 and 25) of which are open-ended contingency questions. Questions 1 through 22 concern the respondent's percepts, attitudes, and beliefs regarding stealing from an employer. Question 23, depending on the respondent answering "Yes," will lead into 6 contingency questions (24-29) regarding his/her pilfering activities. If the respondent answers "No," he/she is instructed to skip these questions and complete the demographic data section following question 29. The numbers on the far left margin are column numbers for data processing computations and analysis.

The questions were designed to measure the responses of the subjects so that this data could be evaluated in order to test the general propositions. Since these propositions were formulated from the concepts derived from a comprehensive review and syntheses of current literature and research, it is anticipated that these questions are



valid; that they accurately reflect the concepts that are intended to be measured.

Recommended Methods and Procedures to be Used  
During the Data Collection Phase

Establishing Contact with the Subjects

It is recommended that the selected subjects be personally contacted, rather than contacted by mail or telephone. It is anticipated that personal contact will insure a greater return rate (80 to 85 percent) of completed questionnaires than by any other means. Completion of the questionnaire by groups of subjects in the presence of the researcher would save time and money, and still insure anonymity of the subjects. Personally handing out the questionnaire to be completed by the subject on his/her own time and place of choosing would necessitate the use of return postage. This would also insure anonymity, but would incur the expenses of preprinted envelopes and return postage; both expenses to be paid by the researcher if he/she wants a higher rate of returned questionnaires. The researcher may not have any control over establishing initial contact with the subjects due to company or governmental policies or demands regarding this activity. In any event, every possible attempt should be made for the researcher to personally contact each subject and provide him/her with a copy of the questionnaire.

The researcher should keep track of the number of subjects contacted and the refusal rate, as well as the number of completed questionnaires utilized and/or rejected. This information should be included in the research report.

The Initial Contact Approach

After establishing personal contact with the subjects, it is



recommended that the researcher seek their cooperation through the following introductory statement:

My name is \_\_\_\_\_ and I am seeking your cooperation in a scientific research project that I have undertaken \_\_\_\_\_ (indicate reason) \_\_\_\_\_. This project concerns the attitudes and beliefs of employees toward their employer's property, and you have been randomly selected to participate from a representative sample of employees.

Your completion of this questionnaire is completely voluntary and anonymous. Please do not put your name or any other identification on this questionnaire. I am interested only in your responses to the questions. Please be honest in your responses as dishonest responses will tend to make this survey invalid.

This questionnaire takes about 15-20 minutes to complete. You may use either a pen or pencil. Please check one answer only unless otherwise instructed in the question. If you need to write in answers in the spaces provided for certain questions, please be brief.

Please read the instructions at the top of page one of the questionnaire and then proceed. The numbers in the far left margin are for processing your responses and can be ignored. Thank you for your cooperation in this survey.

This introductory statement can be changed to meet any future research demands. A point to remember is that the researcher should be straight forward and honest with the subjects. If the subjects determine that the researcher is lacking in both of these qualities, the resulting data from the questionnaires may not be valid.

#### Recommended Methods and Procedures

##### During the Analytic Phase

##### The Statistical Measures

Descriptive statistics such as the mean, median, mode and standard deviation may be used in the analysis and interpretation of the data. In addition, an associational measure, the chi-square test,

may be utilized when appropriate. Since the propositions were all simple statistical (relational) ones, to include the results of previous research, more complex statistical techniques may not be necessary. Utilization of the various statistical measures are left up to the discretion of the researcher. Earl R. Babbie provides the necessary directions to accomplish this quantitative data analysis in his text entitled The Practice of Social Research.<sup>3</sup>

The statistical measures, as well as converting the collected data into a form appropriate to quantitative analysis, may be accomplished through the use of the facilities of a computer center. This will save the researcher time and insure the accuracy of the statistical measures. The suggested formulas for the subgroup comparisons as well as the univariate, bivariate, and multivariate analyses may be found in Appendix B. Babbie's text is an excellent guide to utilize when determining which form is appropriate to quantitative analysis.<sup>4</sup>

Much of the relational data may appear in the form of contingency tables and reflect comparative percentages as well as actual numbers. It is anticipated that these tables will provide the reader with a comprehensive understanding of the relationship between various data, as well as among the pertinent variables.

#### The Problem of Validity

The same problems of validity regarding self-reported information which appear in the begining of Chapter III apply to this research. This includes the fact that there may not be established data available

---

<sup>3</sup>Earl R. Babbie, The Practice of Social Research (Belmont, Ca.: Wadsworth Publishing Co., 1975), Chapters 14 and 18.

<sup>4</sup>Ibid., Chapters 14-17.

with which the obtained data could be evaluated.

Thus, if the researcher finds an inadequacy of the criterion variables available, he/she will be compelled to rely upon the technique of face validity. In this case, face validity may take the form of intra-questionnaire consistency as evidenced by the respondent. For example, if a respondent answered that he/she took company property by accident (question 27) and then answered that others helped him/her to take company property (question 29), these two answers are inconsistent with each other. Thus, their validity, and the validity of the entire questionnaire, might be questionable. The researcher should report the number of questions and/or questionnaires which definitely fell into this questionable category and were thus not used or discarded.

#### Limitations of the Study

The foremost limitation of this study is the potential unreliability of the data obtained due to insincere or dishonest responses relative to the respondent's pilfering. A second limitation is that the data relative to the pilfering of other employees are merely opinion. In both of these limitations, it is impossible to verify the employee's responses relative to the nature and extent of pilfering by themselves and others. A third limitation takes the form of a caution in over-generalizing as a result of the conclusions or findings of this research. This caution stems from the fact that no two businesses or governmental units may be completely similar in those aspects that are considered important factors in employee pilfering (e.g., security policies, security forces, and employee values and norms). The final limitation is in the general propositions derived from the related literature and research. Several of these propositions may have more than one testable

notion, while others may be somewhat ambiguous in their referents.

In either event, it was an operational necessity to formulate generally acceptable propositions which could be tested by one (or a few) question(s) in order to keep the questionnaire from becoming too lengthy to the point of boring the respondents. It is up to the discretion of the researcher to modify or add propositions, as well as modify or add questions, to the questionnaire.



## CHAPTER V

### CONCLUSIONS

Losses from blue collar theft are either absorbed by business and industry or passed on to the consumer in the form of higher prices. Even if the loss is absorbed as an operating expense, the firm suffering this loss would probably be inclined to recoup some portion of it through higher prices. The goal of business and industry is to make a profit, and this is difficult to do if the expense of blue collar theft is great.

The expense of blue collar theft in all levels of the government is not absorbed by the government, but by the American people. This expense is passed on to the people in the form of higher, or additional, taxes. It is almost impossible to determine what portion of our tax dollars pay for the expense of blue collar theft in government as government estimates of this problem are either not made or not available.

When one talks about higher prices and higher taxes, inflation comes to mind. There is little doubt that blue collar theft in the private and public sectors of our economy contributes to the inflationary trend which has plagued us for years. Since the data regarding the cost of blue collar theft is estimated, it would be extremely difficult to determine to what degree it affects inflation.

Insurance claims resulting from losses due to blue collar theft, especially if they are frequent and involve large amounts of money,

may tend to raise insurance premiums. This not only a financial burden for firms with a large blue collar theft problem, but also for those firms that are insured but seldom make insurance claims. It is likely that the expense of higher insurance premiums will be passed on to the consumer in the form of higher prices.

Business and industry have the ability to lower or stabilize the prices of their products through time saving techniques which lower the amount of money which must be paid to the employees in the form of wages. They may also utilize technological processes which reduce the amount of money which must be spent on materials and other costs related to manufacturing. However, the quality of the product may be at stake when too many time saving and technological techniques are utilized. Even when the quality of the product is not reduced, if blue collar theft is allowed to continue and prosper, higher prices are inevitable. Worse yet, the firm may be forced into dissolution or bankruptcy if it is not able to make up large losses resulting from blue collar theft. Thus, our capitalistic economic system of free enterprise may suffer for lack of competitors in the market place. This condition, in itself, may cause prices to rise and inflation to grow at a rapid pace.

The goal of business, industry, and government should be to prevent blue collar theft before it occurs rather than prosecute the thief after the theft has occurred and the property disposed of. Prosecution is costly. The time and money expended to prosecute a blue collar thief may well exceed the amount stolen by the thief. If the thief is convicted, there is a possibility that the sentence will be exceptionally light when compared to the dollar value of the stolen

property. The fact that crime pays is known, or anticipated, by most blue collar thieves.

The prevention of blue collar theft is also expensive. In some cases, the expense of preventing this type of theft may exceed the dollar value of the stolen property. Also, management has to be careful in trying to reduce blue collar theft, as it may reduce customer sales. It is possible that the preventive measures can be so stringent that they inconvenience real or potential customers, thus causing them to buy elsewhere.

Stringent preventive measures can also be so administratively frustrating and time consuming to employees as well as management, that it is counter productive and may reduce morale. Preventive measures must be carefully weighed to determine the values of the types of specific measures to be utilized in relationship to the many varied and desired outcomes.

The management of business and industry needs to adopt better and more effective methods of accounting for losses due to blue collar theft so that they can identify, document, analyze, and neutralize it. Business and industry also need to share this data regarding blue collar theft with each other, to include the various effective preventive measures.

Business and industry need to provide information regarding employee theft to a central repository and processing agency (such as the U.S. Department of Commerce) so that this information can be stored, analyzed, retrieved, and made available to firms and individuals interested in blue collar theft.

The reason that the survey approach, regarding a self-administered



questionnaire about blue collar theft, is controversial is due primarily to ethical concerns. There is no guarantee to the subject firms and the individual subjects of those firms who complete the questionnaire that the researcher will be motivated by ethical concerns, no matter what the researcher may promise. As long as this perception exists, the survey approach to this narrowly defined segment of criminal justice will remain controversial.

The problem of the lack of cooperation of business and industry participating in this type of research was recently presented by the researcher to Wilbur Rykert, Executive Director, National Crime Prevention Association. He explained that this a common problem that researchers have encountered for many years in trying to analyze crime against business. A copy of his letter may be found in Appendix C.

Participation by firms and individuals within those firms must be voluntary. They must not be motivated by the belief that they will benefit from their cooperation, even though there is a possibility that they may be in the distant future. However, this benefit may be indirect such as lower prices (when the firm or employee is a consumer), lower insurance premiums for the firm, and higher employee morale; all a result of reduced blue collar theft that may come from an understanding of this deviant behavior through this survey approach.

The greatest ethical concern is that the researcher will not harm the people being studied. It is possible for the subjects of the survey to be harmed psychologically in the course of the survey. This is due to the fact that they are asked to reveal deviant behavior and attitudes about this behavior. Revealing this type of information is



very likely to make them feel somewhat uncomfortable, or even make them feel that their job may be in jeopardy if their honest responses are recognized as belonging to a specific employee or group of employees.

This ethical concern also applies to the subject firm. A great deal of harm can result to the firm which allowed its employees to take part in this survey. This is likely to occur if the identity of the firm is associated with information regarding a great deal of blue collar theft. This may harm the firm's image with other firms as well as actual and potential customers. The firm's management may feel threatened by this derogatory information which is likely to be perceived as a reflection of poor management techniques or procedures.

Even if the survey is truly anonymous, it is sometimes possible to identify a given firm or respondent. Since this is a possibility, the researcher should not rule it out altogether. The firms and the subjects of this survey must be guaranteed that the researcher will never report data in such a way that will permit readers to make such identifications. This survey must be kept confidential at all costs.

APPENDIX A

DO NOT PUT YOUR NAME OR ANY IDENTIFYING DATA ON THIS SURVEYTHIS SURVEY IS ANONYMOUS AND VOLUNTARY

Either a pen or pencil may be used to complete this questionnaire. Please check one answer only unless otherwise instructed. If you need to write in answers in the spaces provided, please be brief. Upon completion of this questionnaire, please place it in the attached envelope and drop it in the mail.

- (4) 1. How do you think most people feel about taking property from business or governmental organizations?
- ☐ Strongly approve
  - ☐ Approve
  - ☐ Indifferent
  - ☐ Disapprove
  - ☐ Strongly disapprove
- (5) 2. From which type of organization would you think that it would be most acceptable to take property?
- ☐ Small business
  - ☐ Small corporation
  - ☐ Government
  - ☐ Large business
  - ☐ Large corporation
- (6) 3. Which one of the following choices most closely describes the reason for taking property from one of the organizations listed in question 2?
- ☐ Can afford it best
  - ☐ Allows for it by raising prices, or is insured
  - ☐ Less chance of getting caught
  - ☐ Provides the greatest opportunity for taking property
  - ☐ Other (Please specify) \_\_\_\_\_
- (7) 4. A person who takes property from their employer would probably see himself as which of the following?
- ☐ Criminal
  - ☐ Minor law-breaker
  - ☐ Average employee
  - ☐ Trusted employee
  - ☐ Other (Please specify) \_\_\_\_\_
- (8) 5. If you were to take property from your employer, you would see yourself as which of the following?
- ☐ Criminal
  - ☐ Minor law-breaker
  - ☐ Average employee
  - ☐ Trusted employee
  - ☐ Other (Please specify) \_\_\_\_\_

AD-A046 886

AIR FORCE INST OF TECH WRIGHT-PATTERSON AFB OHIO  
BLUE COLLAR THEFT IN BUSINESS AND INDUSTRY.(U)  
MAY 77 D H MORGENSTERN  
AFIT-CI-77-98

F/G 5/11

UNCLASSIFIED

NL

2 OF 2  
ADA046886



END  
DATE  
FILMED  
12-77  
DDC



- (9-11) 6. Which of the following categories of property are found in your work area (CHOOSE MORE THAN ONE IF NECESSARY FOR THIS QUESTION)?
- ( ) Personal property
  - ( ) Employer's property
  - ( ) Property which you cannot determine to whom it belongs (uncertain ownership)

- (12) 7. Which category of property do you believe is most often taken from your work area?

- ( ) Personal property
- ( ) Employer's property
- ( ) Property which you cannot determine to whom it belongs
- ( ) Combination of personal property and employer's property
- ( ) Combination of personal property and property of uncertain ownership
- ( ) Combination of employer's property and property of uncertain ownership

- (13) 8. Which one of the following reasons do you believe is the best for explaining why people take property from their employer?

- ( ) Personal use
- ( ) Resale
- ( ) For friends
- ( ) Grudge, kicks, or reputation
- ( ) By accident
- ( ) Other Please specify) \_\_\_\_\_

- (14-16) 9. What percent of employees do you believe take property from their employer?

\_\_\_\_\_ %

- (17) 10. What method, in your opinion, is most often used to remove property which belongs to the employer?

- ( ) Hidden on the person
- ( ) Hidden in a vehicle
- ( ) Carried in the open
- ( ) Hidden in a container such as a tool box, lunch box, purse, etc.
- ( ) Other (Please specify) \_\_\_\_\_

- (18) 11. In your opinion, by which manner is employer property generally taken?

- ( ) Only one person involved
- ( ) Two or more persons involved
- ( ) Don't know
- ( ) Other (Please specify) \_\_\_\_\_

- (19) 12. Which of the following choices best describes the frequency of your religious activities (such as church attendance, prayer meetings, etc.)?
- ☐ Several times a day
  - ☐ Once a day
  - ☐ Several times a week
  - ☐ Once a week
  - ☐ Several times a month
  - ☐ Once a month
  - ☐ Several times a year
  - ☐ Once a year
  - ☐ Never
- (20) 13. What are your living arrangements?
- ☐ Renting
  - ☐ Buying
  - ☐ Other (Please specify) \_\_\_\_\_
- (21) 14. Would you report a fellow employee if you saw him/her taking property from your employer?
- ☐ Yes
  - ☐ No
- (22) 15. What are your chances of getting caught taking property from your employer?
- ☐ None
  - ☐ Little
  - ☐ Good
  - ☐ Always
- (23) 16. How often does your employer prosecute employees who take property?
- ☐ Never
  - ☐ Seldom
  - ☐ Often
  - ☐ Always
- (24) 17. What should be done to employees who take property from their employer?
- ☐ Nothing
  - ☐ Pay for it
  - ☐ Punished by the employer
  - ☐ Fired
  - ☐ Criminally prosecuted
- (25) 18. How do you feel about your employer?
- ☐ Dislike it/him a lot
  - ☐ Dislike it/him a little bit
  - ☐ Like it/him a little
  - ☐ Like it/him a lot

(26) 19. How do you feel about your job?

- ☐ Dislike it a lot
- ☐ Dislike it a little bit
- ☐ Like it a little
- ☐ Like it a lot

(27) 20. How do you feel about your supervisor?

- ☐ Dislike the person a lot
- ☐ Dislike the person a little
- ☐ Like the person a little
- ☐ Like the person a lot

(28) 21. How often, on the average, do you believe that employees take property from their employer?

- ☐ Several times a day
- ☐ Once a day
- ☐ Several times a week
- ☐ Once a week
- ☐ Several times a month
- ☐ Once a month
- ☐ Several times a year
- ☐ Once a year
- ☐ Other (Please specify) \_\_\_\_\_

(29) 22. Which one of the following choices best reflects your belief about the feelings of employees who take property from their employer?

- ☐ Happy
- ☐ Slick
- ☐ Justified
- ☐ Feel no guilt
- ☐ Feel slightly guilty
- ☐ Feel guilty
- ☐ Feel extremely guilty
- ☐ Other (Please specify) \_\_\_\_\_

YOU DO NOT HAVE TO ANSWER THE FOLLOWING QUESTIONS (23-29). HOWEVER, THIS QUESTIONNAIRE DOES NOT REVEAL YOUR IDENTITY. PLEASE BE HONEST IF YOU ANSWER THEM.

(30) 23. Have you ever taken property of any kind from your employer?

- ☐ Yes (Please answer questions 24-29 and the remainder of the questionnaire)
- ☐ No (Please skip questions 24-29 and answer the questions after question 29)

(31-33) 24. How much do you believe is the average total dollar value of the property you have taken per incident?

\$ \_\_\_\_\_

(34-36) 25. Over the past 12 months, approximately how many times have you taken property from your employer?

\_\_\_\_\_



(37) 26. How do you generally feel after you have taken property from your employer?

- ☐ Happy
- ☐ Slick
- ☐ Justified
- ☐ Feel no guilt
- ☐ Feel slightly guilty
- ☐ Feel guilty
- ☐ Feel extremely guilty
- ☐ Other (Please specify) \_\_\_\_\_

(38) 27. Why did you take property from your employer?

- ☐ Personal use
- ☐ Resale
- ☐ For friends
- ☐ Grudge, kicks, or reputation
- ☐ By accident
- ☐ Other (Please specify) \_\_\_\_\_

(39) 28. What method did you most often use to take property from your employer?

- ☐ Hidden on my person
- ☐ Hidden in a vehicle
- ☐ Carried in the open
- ☐ Hidden in a container such as a tool box, lunch box, purse, etc.
- ☐ Other (Please specify) \_\_\_\_\_

(40) 29. Who, most frequently, may have helped you to take property from your employer?

- ☐ No one
- ☐ Other employees
- ☐ Other (Please specify) \_\_\_\_\_

(41) How old are you? ☐ 16-19; ☐ 20-24; ☐ 25-29; ☐ 30-34; ☐ 35-39;  
☐ 40-44; ☐ 45-49; ☐ 50-54; ☐ 55-older.

(42) Sex: ☐ Male; ☐ Female.

(43) Education: ☐ Some HS; ☐ HS diploma; ☐ Some College; ☐ College degree;  
☐ Some grad. work; ☐ Master's degree; ☐ Post master's degree.

(44) Dependency status: ☐ Single; ☐ Divorced; ☐ Widowed; ☐ Married;  
☐ Single w/deps; ☐ Divorced w/deps; ☐ Widowed w/deps.

(45) of time worked for employer: ☐ Less than 6 months; ☐ 6-11 months;  
☐ 1-2 years; ☐ 2-3 years; ☐ 3-4 years; ☐ 4-5 years; ☐ 5-6 years;  
☐ 6-7 years; ☐ 8 years and over.

(46) Do you work part-time for another employer? ☐ Yes; ☐ No.



APPENDIX B

## SUGGESTED FORMULAS

ATTITUDES

Number and percent of responses per unit in Question 1 (Q01) (Col. 4, units 1-5).

Number and percent of responses per unit in Q02 (Col. 5, units 1-5).

Compare (Crosstab) each response in Q02 by response in Q03 (Col. 5, units 1-5 crosstabbed with Col. 6, units 1-).

Number and percent of responses per unit in Q04 (Col. 7, units 1-).

Number and percent of responses per unit in Q05 (Col. 8, units 1-).

Crosstab each response in Q04 by response in Q05 (Col. 7, units 1- crosstabbed with Col. 8, units 1-).

Number and percent of responses per unit in Q07 (Col. 12, units 1-6).

Number and percent of responses per unit in Q06 (Cols. 9-11).

MOTIVES

Number and percent of responses per unit in Q08 (Col. 13, units 1-).

Number and percent of respondents per unit in Q27 (Col. 38, units 1-).

Modal response in Q08 (Col. 13, units 1-).

Modal response in Q27 (Col. 38, units 1-).

PROPORTION

Mean percentage in Q09 (Cols. 14-16).

Number and percent of responses per unit in Q23 (Col. 30, units 1-2).

Modal percentage in Q09 (Cols. 14-16).

MODUS OPERANDI

Number and percent of responses per unit in Q10 (Col. 17, units 1-).

Number and percent of responses per unit in Q11 (Col. 18, units 1-).

Number and percent of responses per unit in Q28 (Col. 39, units 1-).

Number and percent of responses per unit in Q29 (Col. 40, units 1-).

Modal response to Q10 (Col. 17, units 1-).

Modal response to Q11 (Col. 18, units 1- ).

Modal response to Q28 (Col. 39, units 1- ).

Modal response to Q29 (Col. 40, units 1- ).

#### AGE

Number and percent of responses by unit of Age (Col. 41, units 1-9).

Crosstab each response in Age by response in Q23 (Col. 41, units 1-9 crosstabbed with Col. 30, units 1-2).

Crosstab each response in Age by response in Q25 (Col. 41, units 1-9 crosstabbed with Cols 34-36).

Crosstab each response in Age by response in Q24 multiplied by Q25 (Col. 41, units 1-9 crosstabbed with Cols. 31-33 times Cols. 34-36).

Standard Deviation of Age (Col. 41, units 1-9).

Mean Age (Col. 41, units 1-9).

Median Age (Col. 41, units 1-9).

Modal Age (Col. 41, units 1-9).

#### RELIGIOSITY

Number and percent of responses per unit in Q12 (Col. 19, units 1-9).

Crosstab each response in Q12 by response in Q23 (Col. 19, units 1-9 crosstabbed with Col. 30, units 1-2).

Crosstab each response in Q12 by response in Q01 (Col. 19, units 1-9 crosstabbed with Col. 4, units 1-5).

Crosstab each response in Q12 by response in Q25 (Col. 19, units 1-9 crosstabbed with Cols. 34-36).

Crosstab each response in Q12 by response in Q26 (Col. 19, units 1-9 crosstabbed with Col. 37, units 1- ).

Modal response to Q12 (Col. 19, units 1-9).

Standard Deviation of religiosity in Q12 (Col. 19, units 1-9).

#### ECONOMIC STATUS

Number and percent of responses per unit in Q13 (Col. 20, units 1- ).

Crosstab each response in Q13 by response in Q23 (Col. 20, units 1- crosstabbed with Col. 30, units 1-2).

Number and percent of responses per unit in Part-time employment (Col. 46, units 1-2).

Crosstab each response in Part-time employment by response in Q23 (Col. 46, units 1-2 crosstabbed with Col. 30, units 1-2).

#### EDUCATION

Number and percent of responses per unit of Education (Col. 43, units 1-7).

Crosstab each response in unit of Education by response in Q23 (Col. 43, units 1-7 crosstabbed with Col. 30, units 1-2).

Crosstab each response in unit of Education by response in Q24 multiplied by Q25 (Col. 43, units 1-7 crosstabbed with Cols. 31-33 times Cols. 34-36).

Mean percentage of Education (Col. 43, units 1-7).

Median Education level (Col. 43, units 1-7).

Modal Education level (Col. 43, units 1-7).

Standard deviation of Education (Col. 43, units 1-7).

#### RISK/FEAR

Number and percent of responses per unit in Q15 (Col. 22, units 1-4).

Number and percent of responses per unit in Q16 (Col. 23, units 1-4).

Crosstab each response in Q15 by response in Q16 (Col. 22, units 1-4 crosstabbed with Col. 23, units 1-4).

Number and percent of responses per unit in Q14 (Col. 21, units 1-2).

Number and percent of responses per unit in Q17 (Col. 24, units 1-4).

#### TIME-IN-SERVICE

Number and percent of responses per unit in years of service (Col. 45, units 1-9).

Mean length of service (Col. 45, units 1-9).

Crosstab each response in years of service by response in Q23 (Col. 45, units 1-9, crosstabbed with Col. 30, units 1-2).

Mean length of service of pilferers in Q23 (Col. 45, units 1-9, crosstabbed with Col. 30, units 1-2).

Crosstab each response in years of service by response in Q24 multiplied by Q25 (Col. 45, units 1-9 crosstabbed with Cols. 31-33 times Cols. 34-36).



Standard Deviation of length of service (Col. 45, units 1-9).

#### DEPENDENTS

Number and percent of responses per unit by dependency status (Col. 44, units 1-7).

Crosstab each response in unit of Dependents by response in Q23 (Col. 44, units 1-7 crosstabbed with Col. 30, units 1-2).

#### SEX

Number and percent of respondents per unit by sex (Col. 42, units 1-2).

Crosstab each response in sex by response in Q23 (Col. 42, units 1-2 crosstabbed with Col. 30, units 1-2).

#### MORALE

Number and percent of responses per unit in Q18 (Col. 25, units 1-4).

Number and percent of responses per unit in Q19 (Col. 26, units 1-4).

Number and percent of responses per unit in Q20 (Col. 27, units 1-4).

Crosstab each response in Q18 by response in Q24 multiplied by Q25 (Col. 25, units 1-4 crosstabbed with Cols. 31-33 times Cols. 34-36).

Crosstab each response in Q19 by response in Q24 multiplied by Q25 (Col. 26, units 1-4 crosstabbed with Cols. 31-33 times Cols. 34-36).

Crosstab each response in Q20 by response in Q24 multiplied by Q25 (Col. 27, units 1-4 crosstabbed with Cols. 31-33 times Cols. 34-36).

#### FREQUENCY

Number and percent of responses per unit in Q21 (Col. 28, units 1-9).

Number and percent of responses per unit in Q25 (Cols. 34-36).

Mean frequency of Q25 (Cols. 34-36).

Median frequency of Q25 (Cols. 34-36).

Modal frequency of Q25 (Cols. 34-36).

Standard deviation of Q25 (Cols. 34-36).

#### GUILT

Number and percent of responses per unit in Q22 (Col. 29, units 1-).

Number and percent of responses per unit in Q26 (Col. 37, units 1-).

Modal number and percent of responses in Q22 (Col. 29, units 1- ).

Modal number and percent of responses in Q26 (Col. 37, units 1- ).

APPENDIX C

**NC  
PA** NATIONAL  
CRIME PREVENTION  
ASSOCIATION

104

NATIONAL PRESS BUILDING/SUITE 985  
529 14TH STREET NW/WASHINGTON, D.C. 20045  
TEL: (202) 393-3170/WILBUR L. RYKERT, EXECUTIVE DIRECTOR

April 22, 1977

Mr. David H. Morgenstern  
7936 Cheyenne Court  
North Highlands, California 95660

Dear Mr. Morganstern:

Thank you for your interest in the National Crime Prevention Association.

We are a new organization and have not yet solved some of the problems you describe in your letter. Your difficulties are common problems that researchers have encountered for many years trying to analyze crime against business.

I am afraid I can't be of much help to you at this time. However, I appreciate your concern and your academic interest in this problem, and I intend to relay your problem to a steering committee on the Business Anti-Crime project funded by LEAA. The steering committee is holding a brain-storming session in New Orleans in a couple of weeks, and I am sure the committee will provide an interesting decision.

I have enclosed some information on the National Crime Prevention Association. Please let me know how you do with your project.

Sincerely,

*Wilbur Rykert*

Wilbur Rykert

Enclosures



BIBLIOGRAPHY

## BIBLIOGRAPHY

### PRIMARY BOOKS AND PAMPHLETS

- Astor, Saul D. Preventing Retail Theft. National Cash Register Pamphlet, A-779-A.
- Babbie, Earl R. The Practice of Social Research. Belmont, Ca.: Wadsworth Publishing Company, 1975.
- Bloch, Herbert and Geis, Gilbert. Man, Crime, and Society. New York: Random House, 1962.
- California Department of Justice. On the Alert: How to Protect Your Business and Property. Sacramento, Ca.: Information Pamphlet No. 4.
- Cavan, Ruth S. Criminology. New York: Thomas Y. Crowell, 1962.
- Chamber of Commerce of the U.S. White Collar Crime. Washington, D.C.: U.S. Government Printing Office, 1974.
- Clinard, Marshall B. and Quinney, Richard. Criminal Behavior Systems: A Typology. New York: Holt, Rinehart and Winston, Inc., 1967.
- Cressey, Donald R. and Ward, A. David. Delinquency, Crime, and Social Process. New York: Harper and Row, 1969.
- Curtis, Bob. Security Control: Internal Theft. New York: Chain Store Age Books, 1973.
- Edelhertz, Herbert. The Nature, Impact and Prosecution of White-Collar Crime. Washington, D.C.: U.S. Government Printing Office, May 1970.
- Federal Bureau of Investigation. Crime in the United States - 1974. Washington, D.C.: U.S. Government Printing Office, March 1976.
- Finn, Peter and Hoffman, R. Alan. Prosecution of Economic Crime. Washington, D.C.: U.S. Government Printing Office, March 1976.
- Geis, Gilbert. White-Collar Criminal. New York: Atherton Press, 1968.
- Glaser, Daniel. Handbook of Criminology. Chicago, Il.: Rand Mc Nally, 1974.

- Gocke, B. W. Practical Plant Protection and Policing. Springfield, Il.: Charles C. Thomas, 1957.
- Green, Gion and Farber, C. Raymond. Introduction to Security. Los Angeles, Ca.: Security World Publishing Co., 1975.
- Healy, Richard J. and Walsh, J. Timothy. Industrial Security Management: A Cost-Effective Approach. American Management Association, Inc., 1971.
- Hemphill, Charles F. Jr. Security for Business and Industry. Homewood, Il.: Dow Jones-Irwin, 1971.
- Hemphill, Charles F. Jr. and Hemphill, Thomas. The Secure Company. Homewood, Il.: Dow Jones-Irwin, 1975.
- Horning, Donald N. M. Blue Collar Theft: A Study of Pilfering by Industrial Workers. Ph.D. Dissertation, Indiana University, 1963.
- Jaspan, Norman and Black, Hillel. The Thief in the White Collar. Philadelphia, Pa.: J. D. Lippincott, 1960.
- Lambricht, W. Henry. Governing Science and Technology. New York: Oxford University Press, 1976.
- Lopez-Rey, Manuel. Crime: An Analytical Appraisal. New York: Praeger Publishers, 1970.
- Momboisse, Raymond M. Industrial security for Strikes, Riots and Disasters. Springfield, Il.: Charles C. Thomas, 1968.
- Parker, Richard. The Myth of the Middle Class. New York: Harper and Row, 1972.
- Post, Richard S. and Kingsbury, A. Arthur. Security Administration: An Introduction. Springfield, Il.: Charles C. Thomas, 1973.
- President's Commission on Law Enforcement and Administration of Justice. The Challenge of Crime in a Free Society. New York: E. P. Dutton and Co., 1968.
- Reckless, Walter C. The Crime Problem. 3rd ed. New York: Appleton-Centry-Crofts, Inc., 1961.
- Reid, Sue T. Crime and Criminology. Hinsdale, Il.: The Dryden Press, 1976.
- Robin, Gerald D. Employees as Offenders: A Sociological Analysis of Occupational Crime. Ph.D. Dissertation, University of Pennsylvania, 1965.
- Schur, Edwin M. Our Criminal Society. Englewood Cliffs, NJ.: Prentice-Hall, 1969.



Smigel, Erwin O. and Ross, H. L. Crimes Against Bureaucracy. New York: Van Nostrand Reinhold Co., 1970.

Sutherland, Edwin H. On Analyzing Crime. Chicago, Il.: University of Chicago Press, 1973.

White Collar Crime. New York: Holt, Rinehart and Winston, Inc., 1949.

U.S. Department of Commerce. Crime in Retailing. Washington, D.C.: U.S. Government Printing Office, August 1975.

U.S. Department of Commerce. The Cost of Crimes Against Business. Washington, D.C.: U.S. Government Printing Office, January 1976.

U.S. Department of Commerce, Bureau of Domestic Commerce, Consumer Goods and Services Division. Employee Rights and Privacy. Washington, D.C.: U.S. Government Printing Office Pamphlet.

U.S. Department of Commerce, Bureau of Domestic Commerce, Consumer Goods and Services Division. Employee Theft. Washington, D.C.: U.S. Government Printing Office Pamphlet.

U.S. Government Small Business Administration. Crime Against Small Business. Washington, D.C.: U.S. Government Printing Office, April 3, 1969.

Wathen, Thomas W. Security Subjects. Springfield, Il.: Charles C. Thomas, 1972.

Zimring, Franklin E. Perspectives on Deterrence. Washington, D.C.: U.S. Government Printing Office, January 1971.

#### PRIMARY PERIODICALS

Aitken, M. D. "Motivation: Key to Security Awareness," Industrial Security, February 1967, pp. 6-8 and 43.

Cockrell, Hulon D. "Hostile Acts of Agression and Motivation," Security Management, August 1972, pp. 37-39.

Cressey, Donald R. "Embezzlement: Robbery by Trust," Security World, May 1965, pp. 16-21.

"Employee Theft Rising; But You can Slow the Tide," Industry Week, December 11, 1972, pp. 28-29.

Harris, Ernest. "The Struggle Over Employee Backgrounding," Security World, October 1975, p. 34.



- Healy, Richard J. "Putting Security on the Management Team," Security World, July-August 1965, pp. 34-37.
- Hernon, Frederick E. "A Corporate Profit's Christmas Carol," Security World, December 1976, pp. 12-13.
- Jeffery, W. J. "The Forty Thieves," FBI Law Enforcement Bulletin, July 1970, pp. 16-19, 29-30.
- Kivetz, Jack H. "Retail Inventory Shortages and Internal Theft," The CPA Journal, December 1973, pp. 1107-1109.
- Lipman, Mark. "What You Can Do About Employee Theft," Nation's Business, May 1976, pp. 63-65.
- Mersky, Robert L. "The Dishonest Employee . . . A Behavioral Problem," Security Management, July 1973, pp. 6-14 and 32.
- Morris, Albert. "The Comprehensive Classification of Adult Offenders," The Journal of Criminal Law, Criminology and Police Science, June 1965, pp. 197-202.
- Pratt, Lester A. "Embezzlement Controls," Security World, April 1966, pp. 10-13.
- "Sheep in Wolves' Clothing," Security World, September 1974, p. 16.
- Survey of Corporate Practice. "Are Your Employees More Dishonest Than You Think?" Business Management, September 1968, pp. 12-14.
- Tatham, Ronald L. "Employee Views on Theft in Retailing," Journal of Retailing (Fall 1974), pp. 49-55.
- "Why Employees Steal," U.S. News and World Report, May 3, 1971, pp. 78-82.
- Zeitlin, Lawrence R. "A Little Larceny Can Do a Lot for Employee Morale," Psychology Today, June 1971, pp. 22, 24, 26 and 64.

#### SECONDARY BOOKS

- Carter, T. S. Crime Prevention. Gateshead, Great Britain: The Police Review Publishing Co., 1966.
- Curtis, S. J. Modern Retail Security. Springfield, Il.: Charles C. Thompson, 1960.
- Gorrill, B. E. Effective Personnel Security Procedures. Homewood, Il.: Dow Jones-Irwin, 1974.
- Hartung, Frank E. Crime, Law and Society. Detroit, Mi.: Wayne State University Press, 1965.

Healy, Richard J. Design For Security. New York: John Wiley and Sons, 1968.

Kingsbury, Arthur A. Introduction to Security and Crime Prevention Surveys. Springfield, Il.: Charles C. Thomas, 1973.

Letkemann, Peter. Crime as Work. New Jersey: Prentice-Hall, 1973.

Lipman, Mark. Stealing. New York: Harper's Magazine Press, 1972.

Mandel, Mel. Being Safe. New York: Saturday Review Press, 1972.

Oliver, Eric and Wilson, John. Practical Security in Commerce and Industry. New York: John Wiley and Sons, 1972.

Woodruff, Ronald S. Industrial Security Techniques. Columbus, Oh.: Charles E. Merrill, 1974.

#### SECONDARY PERIODICALS

Allen, Eugene V. "The Value of Internal Intelligence," Industrial Security, August 1971, pp. 28-30.

Amoroso, Louis J. "Tried-And-True Procedures Still Work," Security World, April 1974, pp. 18-19, 43-45.

Anderson, William D. "Establishing Effective Retail Loss Prevention Attitudes," Security Management, May 1974, pp. 45-46.

Arkin, Joseph. "The \$2 Billion Theft," Security World, February 1966, p. 29.

Astor, Saul D. "Astor's Laws of Loss Prevention," Security World, June 1969, pp. 35-38 and 40.

\_\_\_\_\_. "Internal Crime (Part I)," Security World, September 1970, pp. 31-32.

\_\_\_\_\_. "Internal Crime (Part II)," Security World, October 1970, pp. 70, 72, 74 and 77.

\_\_\_\_\_. "Mastering the Impossible Situation in Loss Prevention," Security World, February 1973, pp. 32-33, 35-36.

\_\_\_\_\_. "More Shortages: The Discount Dilemma," Security World, January 1965, pp. 28-33 and 35.

\_\_\_\_\_. "Security, or Loss Prevention," Security World, January 1968, pp. 18-21.

- August, Kendal. "New Complexities in Plant Security," Dun's Review and Modern Industry, March 1965, pp. 142-143, 209-224.
- Bastoni, Jeanne. "The Small Company Security Officer Faces Big Problems," Industrial Security, April 1968, pp. 26-28 and 32.
- Bilek, Arthur J. "Security Regulation in the Seventies," Security Management, September 1975, pp. 8-9 and 13.
- Blomberg, Joan. "Challenge: The Key to Security," Industrial Security, June 1972, pp. 14-17.
- Camin, Louis J. "Some Projections For Business Security," Security World, February 1968, pp. 12-13.
- Carlson, Gus R. "Pilferage: A Financial Menace to Industry," Security World, January 1971, pp. 59-60.
- Carroll, William E. "An Executive Looks at Security," Industrial Security, August 1967, pp. 3-4.
- Cole, Richard C. "Retail Loss Prevention: An Educational Program," Security World, June 1968, pp. 20-22.
- Coon, Thomas F. "Basic Minimums of Plant Security Blended with Proper Leadership," Police, March-April 1965, pp. 92-93.
- "Crime," U.S. News and World Report, December 16, 1974, pp. 32-40.
- "Crime Does Pay," Fortune, September 1974, pp. 45, 47, 50, 56, 58 and 60.
- "Crime Expense Now Up to \$51 Billions a Year," U.S. News and World Report, October 26, 1970, pp. 30-34.
- Donovan, Robert D. "Management Techniques for Loss Prevention," Industrial Security, August 1965, pp. 36-39 and 43.
- Dornbaum, Charles. "Combatting Pilferage in Your Store," Security Management, August 1972, pp. 21-22.
- Dudley, W. E. "A New Game Called Industrial Security," Industrial Security, April 1972, pp. 29-30.
- "Employer Security," Security World, September 1976, pp. 11 and 15.
- Flanagan, J. J. "The War Against Pilferage," Security World, April 1969, pp. 31-37.
- Fleischman, Alan. "Can a Shopping Service Help Your Business?" Security World, April 1976, pp. 23 and 53.
- Foltz, David F. "The Role of Industrial Security in Business Mergers and Aquisitions," Industrial Security, April 1966, pp. 14, 54-56.



General Foods Corporation. "Protection of Company Information and Property," Industrial Security, December 1967, pp. 30-33 and 47.

Goldman, Elliot H. "Security and the Technology of Loss Prevention," Security World, June 1972, pp. 44-45 and 47.

Goldstein, Morton. "Reduction of Shortages in Retail Stores," Industrial Security, October 1971, pp. 34-36.

Gossett, Sterling D. "Motive Plus Opportunity Equals Embezzlement," Security Management, March 1973, pp. 23-24.

Griffin, Roger K. "Theft Against Retail Profit; A Management Perspective," Security World, April 1972, pp. 14-15, 17-20.

Haacke, Harry H. and San Soucie, B. William. "Cutting Embezzlement Losses," Security World, June 1968, pp. 14-16, 18-19.

Healy, Richard J. "Industrial Security and Physical Controls," Industrial Security, April 1968, pp. 3-4, 6, 8, 10, 12-13.

\_\_\_\_\_. "Systems Engineering and Industrial Security," Security World, June 1965, pp. 10, 14-18, 38-40.

Hemphill, Charles F. Jr. "Developing Security-Effective Employees," Security World, September 1972, pp. 16-17, 19-20.

\_\_\_\_\_. "If Christmas Means Temporary," Security World, December 1974, pp. 27, 62-63.

\_\_\_\_\_. "Limiting Loss Potential from Employee Theft," Security World, February 1975, pp. 28-29.

\_\_\_\_\_. "Trash Tests for Your Security," Security World, July-August 1973, pp. 42-43.

Hernon, Frederick E. "Management Rules on White Collar Crime," Security World, January 1976, pp. 26-27.

\_\_\_\_\_. "The Security and Internal Control Survey," Security Management, September 1976, pp. 26-28 and 30.

"Internal Theft," Security World, April 1970, pp. 43-44, 46 and 49.

Jaspan, Norman. "Employee Theft: Barometer of Mismanagement," Security World, October 1965, pp. 28-30.

\_\_\_\_\_. "The Many Faces of White Collar Crime," Security World, August 1976, pp. 28-29.

Jeffery, W. J. "The Forty Thieves (Part II)," FBI Law Enforcement Bulletin, August 1970, pp. 21-25, 29-30.



- Kaplan, Philip M. "Loss Prevention Through Systems Analysis: Some Principles of Procedural Security," Security World, May 1972, pp. 36-44.
- \_\_\_\_\_. "Security: The View Within," Security World, December 1970, pp. 41-45.
- Kelly, Eugene B. "The Crisis in Management of Justice," Industrial Security, June 1972, pp. 40-42.
- Lanzillotti, Jack. "Shopping Malls and Their Security," Industrial Security, October 1971, pp. 24-26.
- Lauback, A. C. "Protecting Company Assets," Industrial Security, February 1966, pp. 24 and 26.
- Lewis, Roger. "Management-Responsibility-Leadership-Security," Industrial Security, February 1969, pp. 22-26 and 47.
- Liebling, Joseph J. "New Trends in Industrial Security," Industrial Security, December 1971, pp. 16-19.
- Loomis, Roland L. "The Problem of Security in Research and Development," Industrial Security, August 1965, pp. 33-35.
- Lowell, Leonard S. "Employee Theft: We Create Our Own Problem," Security World, May 1965, pp. 48-49.
- Mc Clintick, David. "An Inside Job: More Workers Steal From Their Employers and Get Away With It," The Wall Street Journal, February 5, 1970, pp. 1 and 25.
- Mc Inerney, William D. "Reducing Criminal Opportunity," Security Management, November 1973, pp. 30-31.
- Mc Intyre, Fred T. "Duties of a Department Store Security Director," Industrial Security, October 1967, pp. 18-27.
- Masterson, John M. "New Security Concepts," Industrial Security, February 1967, pp. 2, 4 and 42.
- Mayeux, Murray L. "Self-Inspection," Industrial Security, December 1967, pp. 34-37.
- Melville, N. M. "Prevention of Pilferage," Security World, June 1969, pp. 41-43.
- Metz, Louis F. "We're Playing a Losing Game," Industrial Security, January 1965, pp. 28, 30, 32, 41 and 44.
- Miller, A. R. "Physical Security: The In-depth Concept," Industrial Security, October 1968, pp. 36-39, 58.

- Mooney, Bernard J. "Employee Dishonesty vs. Profits," Industrial Security, August 1965, pp. 26-27 and 32.
- Natale, John. "Countering Internal Theft," Security World, January 1969, pp. 38-39 and 44.
- Neilson, Jerry. "The Case for the Security Consultant," Security World, May 1966, pp. 33-35.
- "Newsgram," U.S. News and World Report, August 21, 1972, p. 8.
- Norton, John J. "The Responsibility of Management in the Industrial Security Program," Industrial Security, February 1966, pp. 28-29, 31-32.
- Owens, Ruth M. "The Human Element of Security," Industrial Security, December 1967, p. 45.
- Penland, Jack D. "Auditor's View of Theft," Industrial Security, August 1966, pp. 26 and 28.
- Pratt, Lester A. "Embezzlement Controls: Part II," Security World, May 1966, pp. 24-27.
- Ptacek, Bernarr M. "Who's Watching the Store?" Industrial Security, June 1967, pp. 42-45, 50-51.
- Rayen, Alan G. "The Next Decade in Retail Security," Industrial Security, March 1971, pp. 10-15.
- Rose, Richard P. "The Dollars and Sense of Precaution," Security World, January 1965, pp. 24-26.
- Rosenbaum, Richard W. "Can We Predict Employee Theft?" Security World, October 1975, pp. 26-27, 104, 106-107.
- Reynolds, Stanley E. "Plugging the Profit Drain," Industrial Security, February 1970, pp. 28-29.
- Schwartz, Howard. "Business Security in a Lay-Off Economy," Security World, January 1975, pp. 24-25 and 79.
- \_\_\_\_\_. "Good Supervision: Your Best Internal Security," Security World, April 1975, pp. 48-49.
- Secheter, Robert J. "The Other Aspect of Fraud," Security World, January 1976, pp. 30-31.
- Smith, Chester H. "What Security, Order and Laws Must Achieve," Security Management, January 1974, pp. 47-51.
- Stainbrook, Edward. "Anxiety Barriers to Crime?" Security World, May 1976, pp. 18-19 and 96.

- Starratt, Charles A. "Industrial Security Management Programs," Industrial Security, June 1966, pp. 26-28 and 43.
- Steen, David L. "Developing a Retail Loss Prevention Program," Security Management, November 1973, pp. 32-37.
- \_\_\_\_\_. "Loss Prevention in Retail Stores," Security World, December 1973, pp. 50-55.
- Vogel, T. E. "Management in Security," Security World, May 1969, pp. 16-18 and 21.
- Walsh, John H. "Pilferage in Industry," Security World, July-August 1966, pp. 17-19.
- Watkins, Ronald L. "Preventing Internal Theft," Stores, May 1975, pp. 13 and 27.
- Weber, Rudy L. "Selling Security to Employees," Security World, April 1967, pp. 23-24.
- Weygand, Leroy C. "A New American Liberty - The Right to Steal," Industrial Security, August 1971, pp. 31-32.